

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

London, Tuesday, May 7, 1996

No. 35,204

A Trove for the World Packard Charity Is Thinking Big

By Carey Goldberg
New York Times Service

MONTEREY, California — At the very summit of American philanthropy, where the billionaire donors have dynastic titles like Ford and Kellogg and Rockefeller, the first high-tech mogul is about to add his name to the roster of the world's great family charities.

When David Packard, half the venerable Silicon Valley team of Hewlett and Packard, died at 83 in late March, he left the bulk of his vast estate to the foundation that he and his wife founded in 1964.

Suddenly, what had been mainly a regional, family-style foundation of about \$100 million just a decade ago stands to balloon into one of the top three private charities on the planet—conceivably, depending on the stock market, the biggest of all.

Mr. Packard left the David and Lucile Packard Foundation more than 45 million shares of Hewlett-Packard stock, to be added to the nearly 25 million it already owned. Once the stock is transferred, the foundation's Hewlett-Packard holdings—worth more than \$7.2 billion at current stock market prices—

may surpass the \$7 billion-plus funds of the Ford Foundation and the W.K. Kellogg Foundation, the two richest.

For a relatively obscure philanthropy to rocket to the top so suddenly "hasn't happened for at least half a century," said Michael O'Neill, director of the Institute for Nonprofit Organization Management at the University of San Francisco. "It's almost unparalleled in this century, with the single exception of the Ford Foundation."

Experts believe the Packard Foundation's spectacular rise presages a whole crop of major new family charities that will spring up as the current ruling generation of the nation's high-tech, financial and media magnates get old enough to start thinking about posterity.

"We have this enormous wave of very wealthy individuals who by the clock will be dying in the next 15 or 20 years," said Waldemar Nielsen, an analyst of charities. "The resources available to American philanthropy will probably double," and much of that wave is expected to flow into family

You have
\$7.2 billion to
fix the world
with. What do
you do with it?

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German Jobless Rate Falls, Provoking Wary Optimism

'Bulk of the Bad News Should Be Behind Us'

By John Schmid
International Herald Tribune

FRANKFURT — Unemployment in Germany fell in April for the first time this year, the government reported Monday — a development that suggests that Europe's biggest economy has finally stopped sinking after two consecutive quarters of decline that have put hundreds of thousands out of work.

"The bulk of the bad news should be behind us," said Holger Fehring, economist at Schweizerische Bankgesellschaft (Deutschland) AG.

"It is fair to say the economy has stabilized," said Jürgen Pfister, head of economic research at Commerzbank AG, although he noted that "we still lack firm evidence of a turnaround."

April was the first month this year that German unemployment did not set a new record. The number of jobless fell below 4 million, a figure that has become a national psychological pain threshold, to 3.97 million, or 10.4 percent of the work force. That compares with 4.14 million jobless, or 10.8 percent, in March, the Federal Labor Office said.

After adjustments for seasonal factors, the unemployment rate fell to 10.3 percent, according to the Bundesbank, Germany's central bank. The number of jobless fell 62,000 in the month, more than economists had ex-

pected. The seasonally adjusted figure, carefully followed by economists, had risen each month since August.

Some indicators have just begun to curl upward, although the economic report card remains mixed. Industrial output showed strong gains in March, but capacity utilization and business confidence have showed declines, and inventories have risen.

Speaking Monday in Leipzig, the Bundesbank president, Hans Tietmeyer, said the prospects for recovery were not as bad as depicted by Germany's leading research institutes, which last week slashed their 1996 growth forecasts to 0.5 percent to 0.75 percent after 1.9 percent expansion in 1995.

"The research institutes also express the hope in their spring report that the economy will gain a foothold this year," Mr. Tietmeyer said.

Whenever a German recovery does come, the rest of Europe is sure to welcome it with relief. The fortunes of Europe frequently rise and fall with the movements of the economy on the Rhine, and a full-blown recession represents the biggest risk to Europe's plans to launch a single currency in 1997.

Europe needs a surge of growth to stoke tax revenue and shepherd deficits toward the benchmarks necessary for

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SOUTH AFRICAN SWEEP — The police firing rubber bullets on Monday as they chased squatters from an area of the Alexander township near Johannesburg designated for a low-cost housing development. The nation's racial divisions sharpened anew as constitutional talks remained deadlocked. Page 6.

Serious Crime Recedes Further in U.S.

But 4-Year Downtrend Masks a Surge of Violence by Teenagers

By Fox Butterfield
New York Times Service

NEW YORK — Serious crimes dropped across the United States in 1995 for the fourth consecutive year, led by an 8 percent decrease in homicides, according to preliminary figures released by the Federal Bureau of Investigation.

President Bill Clinton, taking some credit for the decline, said, "Because of our tough and smart decisions to put more cops on the street and get kids, guns and drugs off the street, we are now

beginning to reverse the trend in violent crime."

But some experts cautioned that the cause of the drop was unclear and that it was still too early to conclude whether the country has finally broken out of a pattern of consistently high crime rates since an explosion of violence in the late 1960s.

Among the possible explanations for the decline are more aggressive police tactics, a rise in the number of criminals in prison and a stabilization of turf battles between drug dealers that began with the epidemic of crack cocaine.

The experts also warned that the new figures, while heartening, mask a continued rapid rise in violent crime among young people that could soon lead to a rise in crime rates because the number of teenagers in the population is expected to grow 20 percent in the next decade.

"I think we can now say a trend has been established," said James Q. Wilson, a leading criminologist and professor of management at the University of California at Los Angeles.

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U.K. Rejects Moscow's Charge That Envoys Spied

London to Retaliate
If Russia Carries Out
Diplomats' Expulsion

Compiled by Our Staff From Dispatches

LONDON — The British government on Monday rejected Russian allegations that its diplomats had been spying in Moscow and warned that it if they were expelled, London might respond with expulsions of Russian diplomats.

Russian officials accused British diplomats of "activities incompatible with diplomatic status" — the classic Cold War term for spying.

The spokesman for the Russian Foreign Ministry, Grigori Karasin, tried to play down the crisis, saying the incident "will not negatively affect our relations with Britain."

"In international diplomacy these things happen from time to time," he said, adding, "The main thing is not to dramatize things and not let them affect relations between states in any way."

A Foreign Office spokesman in London said Prime Minister John Major and Foreign Secretary Malcolm Rifkind had discussed the affair, which began when the Russian security forces said they had caught a Russian national working for Britain.

The Russians said the man was arrested while he was in radio contact with the intelligence center in Britain.

"The man was seized red-handed as he was in the process of communicating with his headquarters," said Boris Kostenko, spokesman for the Federal Security Service. The service is the main successor to the Soviet KGB.

Mr. Kostenko would not give the man's name, date of arrest or any other details. He said the Russian had admitted to spying for the British Intelligence Service and had told Russian agents about his recruitment and contacts with British intelligence officers.

British officials in Moscow would not comment on the allegations.

The Russian deputy foreign minister, Sergei Krylov, told the Interfax news agency that he had summoned the British ambassador, Andrew Wood, after the arrest.

And the Itar-Tass agency reported that a Foreign Ministry official had informed Mr. Wood that "a number of English intelligence officers who hold diplomatic posts in Great Britain's embassy in Moscow" will be told to leave Russia.

In London, a Foreign Office spokesman said Britain would make "an appropriate response" if Russia expelled the Britons. "If the unjustified expulsions of British Embassy officials are confirmed, an appropriate response will follow," the spokesman said.

In Moscow, the head of public relations at the Federal Security Service, Alexander Zdanovich, told the media that the government had made a "stern protest" over Britain's use of its embassy as cover for "illegal spying activities."

Mr. Zdanovich said a number of "intelligence agents" working under diplomatic cover had been asked to leave for being involved in activities "incompatible with diplomatic status."

The Soviet Union expelled 11 British diplomats and journalists in 1989 after London threw out the same number of people it said had been spying for Moscow.

In February, Moscow deported a British businessman, and last year a Russian journalist left London after being accused of spying.

The latest contretemps came just two weeks after Prime Minister Major visited Moscow for an international summit meeting on nuclear safety, at which he met President Boris N. Yeltsin.

Analysts suggested that any expulsions by Moscow would be favored by Russian nationalists and could aid Mr. Yeltsin's hopes of re-election in the June 16 presidential vote.

Mr. Yeltsin faces a stiff challenge from the Communist Gennadi A. Zyuganov, who has stirred nostalgia for the days of Soviet superpower and accused Mr. Yeltsin of selling out Russian interests to his new capitalist friends.

(Reuters, AFP, AP)

Malaysia Sets \$216 Billion Growth Plan

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The government of Malaysia, intent on stepping out of the shadow of Singapore, announced on Monday a five-year, \$216 billion development plan that aims to attract high-technology manufacturers and erase the country's persistent trade deficit.

The five-year plan, presented to Parliament by Prime Minister Mahatir bin Mohamad, projects annual economic growth of 8 percent through the end of the century.

Malaysia has become one of the world's fastest-growing economies as an assembly center for Japanese and other foreign companies, but it is eager to step up to the more profitable business of making components for cars, electronics and other goods.

"An essential component of the structural transformation of industry will be the shift into technology-intensive industrial activities," the government said in its Seventh Malaysia Plan, an outline

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AGENDA Body of Ex-CIA Director Is Found

Down	Up	Index
13.72	Down	0.15%
5484.51	134.28	
The Dollar		
New York	Mon. close	previous close
Doll	1.5295	1.5293
Pound	1.5065	1.506
Yen	104.85	105.085
FF	5.156	5.1545

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The body of William E. Colby was found by the police Monday on a marshy riverbank near Rock Point, Maryland, more than a week after the 76-year-old former CIA director disappeared while canoeing.

Mr. Colby apparently drowned, and foul play was not suspected, the officials said.

In an oblique reference in the decision to disclose secret CIA involvement in plots to assassinate foreign leaders, in spying illegally on American citizens and in other abuses, the current director of central intelligence, John M. Deutch, said Mr. Colby had showed courage "to guide the agency through a difficult time."

"He faced up to severe challenges with openness and integrity," Mr. Deutch said. "The people of the CIA and the intelligence community have lost an irreplaceable source of wisdom." Mr. Colby supervised the CIA's covert warfare campaign in Vietnam in the 1960s, and served as director from 1973-76. (Page 3)



BANK DISASTER — Jean Peyrelevade, president of Crédit Lyonnais, center, assessing fire damage Monday at the Paris headquarters. The blaze was seen as another blow to the fragile bank's reputation. Page 13.

Film Fans Crowd the Berlin Grave of That 'Wonderful Woman'

By Rick Atkinson
Washington Post Service

BERLIN — John Wayne called her "the most intriguing woman I've ever known." Ernest Hemingway said, "It makes no difference how she breaks your heart if she is there to mend it." To the French filmmaker Jean Cocteau she was "perfection itself."

Marlene Dietrich lives on in such accolades even though her earthly remains lie beneath a stand of birch trees in Berlin's Stübensruhschasse Cemetery, where a small but worshipful procession of fans shuffled past her grave on the fourth anniversary of her death at the age of 90.

Such is the lingering incandescence of Germany's greatest film star that her tomb has be-

come a place of pilgrimage even though she abandoned her native country for Hollywood in 1930, became an American citizen and is still despised by many German rightists as a traitor to the fatherland for her propaganda work against the Third Reich.

"I'm a big Marlene fan, not only because of her films but because she was such an opponent of the Nazis," said Frank Dietrich, 36, no relation, as he stood with tears in his eyes at the gravesite Monday. "I've read 10 to 15 books about her. For me, she is just an incredibly wonderful woman."

A spray of white roses covered the plot, contrasting sharply with the black headstone inscribed simply: "Marlene, 1901-1992." The cemetery director, Lutz Hinze, said: "People come almost every day, even busloads of ad-

mirers from France and elsewhere. All ages, from 20 to 80. We used to have signs directing visitors to her plot, but they've all been taken as souvenirs."

More of Marlene remains in Berlin than her bones. Much more. Half a dozen curators labor full-time in a brick warehouse in the city's Spandau district to rummage through Miss Dietrich's worldly possessions, purchased in 1993 by the Berlin Senate from Sotheby's auction house for \$5 million.

Administered by the German Cinematic Foundation, the collection is being painstakingly sorted, catalogued and photographed for eventual display in a special exhibition hall on Potsdamer Platz, the once and future heart of the German capital.

"The problem was that no one knew before she died exactly what she had," said Werner Sudendorf, director of the German Cinematic Collection. "We had written to her and she had replied: 'I don't have anything. The costumes all belonged to the film studios and I'm no thief.' In fact, she had a lot of stuff hidden, as it were, under the bed."

A lot of stuff indeed. Mr. Sudendorf likens viewing the assembled crates and boxes for the first time to "entering a pharaoh's tomb." For starters, there's the wardrobe: 440 pairs of shoes, more than 400 hats, 150 pairs of gloves, hundreds of dresses and suits, about 50 film costumes and the sundry accoutrements, such as a peach-

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Newstand Prices	
Bahrain	1,000 Din. Malta
Cyprus	C. £1.00 Nigeria
Denmark	14.00 D.Kr. Oman
Finland	12.00 F.M. Qatar
Gibraltar	£ 0.85 Rep. Ireland
Great Britain	£ 0.90 Saudi Arabia
Egypt	SE 5 S. Africa
Jordan	1,250 JD U.A.E.
Kenya	K. Sh. 150 U.S. Mil. (Eur.)
Kuwait	600 Fils. Zimbabwe



Warrior Culture Fading / The Lure of Education

A Masai Village's New Crusade

By Stephen Buckley
Washington Post Service

ENOOSAEN. Keoya — Many of the hundreds of Masai who gathered at this village's secondary school one recent Sunday could not read or write. They had never set foot in a classroom. And the few who had never got past elementary school.

Yet those things did not seem to matter. For the people of this village had come together to celebrate the extraordinary ambition of Wilson Naiyomah.

Mr. Naiyomah, 19, wants to be a doctor. His ambition is extraordinary because Masai do not become doctors. They herd cattle. There has been no higher calling.

Until now.

In recent years, the Masai tribe, arguably Africa's best-known and most glamorized ethnic group, has battled to shuck its image as a people passionately opposed to modern culture. The campaign, from their reluctant embrace of modern clothing to their desperate efforts to build a professional class, is nothing less than a crusade to catch up with the rest of the world.

Years ago, Mr. Naiyomah's elders and peers mocked his desire to get an education. But they gathered recently at the secondary school to raise money for him to pursue his dream of going into medicine.

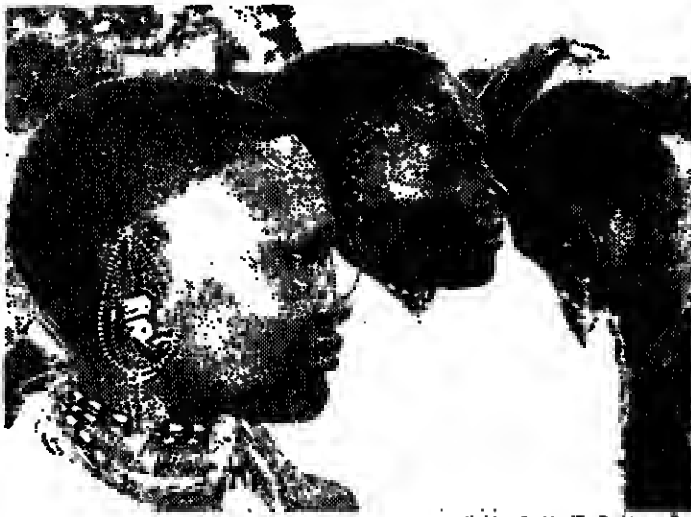
"They used to think I was strange," Mr. Naiyomah said. "Now when I tell people what I want to do, they may not exactly understand what I'm talking about, but they want to help me."

There are believed to be two doctors in Kenya who are of Masai heritage. Among Kenya's more than 40 ethnic groups, the Masai have the smallest professional class. No one knows exactly how small it is, but it is generally believed that Masai professionals could easily fit into this village 400 kilometers (250 miles) northwest of Nairobi, whose population is 100 people.

The Masai, whose estimated 300,000 people live near both sides of the Kenya-Tanzania border, historically have scored lowest on standardized education tests. Few Masai make it to secondary school; a handful find their way to college.

Yet the tribe's culture, which taught that any work other than herding cattle was beneath a Masai's dignity, helped make it one of the most studied and mythologized ethnic groups in sub-Saharan Africa. They became known as the mahogany-skinned people who wore toga-like red and orange and white traditional garb and whose sliced earlobes were stretched into holes the size of silver dollars. They rejected the idea of personal property. They bartered cattle, shunning the concept of money. They were experts at killing lions and leopards. They drank blood.

But over the years, the Kenyan government has pushed the Masai to become part of the modern nation. It urged the Masai to adopt modern dress. It subdivided the tribe's land,



Masai tribeswomen at a fund-raising gathering for Wilson Naiyomah, right, who wants to be a doctor.

introducing property rights. And, perhaps most significantly, it outlawed the Masai warrior, making it illegal for the tribe's youth to practice the traditions, such as killing lions and leopards, that historically had signaled their passage to manhood.

"Every boy used to live to become a moran," said Morompi Ole-Ronkei, 36, the only person with a doctoral degree in Enoosaen and the surrounding area. Moran is the Masai word for warrior. "Today, the moran is basically seen as something of the past. These young men have to have different goals now."

MR. OLE-RONKEI, who returned to Kenya last year after receiving a PhD in communications from the University of Oregon, said the transformation of the Masai also is connected to the community's changing understanding of political power.

"We have begun to realize that in the modern world, political power is based upon education," Mr. Ole-Ronkei said.

Shortly after returning from America, Mr. Ole-Ronkei, now a university professor in Nairobi, met Mr. Naiyomah, who told him he longed to become a doctor and needed help to realize his dream.

Mr. Naiyomah, a shy, slightly built young man with serious, almond-shaped eyes, had become a legend in Enoosaen. The village, the center of an area where several hundred Masai are scattered, has no paved roads, no electricity and no telephones. One village called Enoosaen "the end of the world."

Mr. Naiyomah began his education here at 6,

very young for a Masai, by running away from home to attend a nearby primary school started by missionaries. Throughout primary and secondary school he was always at the top of his class.

Mr. Naiyomah's desire to be a doctor blossomed also when he was 6. He recalls accompanying his mother to a nearby hospital when she was ill. "I saw people who were very sick, and then they had surgery, and it was like they had come back to life," Mr. Naiyomah said. "And I made friends with a lot of the patients and doctors. I still know some of them."

He came from one of the area's poorest homes. In a culture where cattle equals wealth, Mr. Naiyomah's father has no cows. He owns only two hectares (five acres) of land. He has one sheep. He had one goat, but he sold it so he could contribute something to his son's fund-raiser.

Knowing of the student's plight, the village essentially adopted him. Sometimes neighbors paid his school fees; other times, his teachers helped him earn money by paying him to run errands for them or to work in their fields. Some neighbors provided money for school uniforms and shoes. Others bought him textbooks. Some bought him toiletries.

"Everybody helped me," Mr. Naiyomah said. "They said I was a bright boy, and they did not want my poverty to keep me from getting an education. I felt very honored."

After Mr. Naiyomah finished secondary school, it became clear that his hope of entering a pre-med program in the United States would be little more than that if he could not raise some money quickly. Mr. Ole-Ronkei, Mr. Ngodia and a handful of others scrambled to organize a

community fund-raiser, known as a *harambee*, which is Swahili for "pulling together."

So, about 300 Masai, including 40 members of Mr. Naiyomah's family, gathered to celebrate the village's son. Many wore traditional garb, but some men were decked out in jackets and ties, and some women wore dresses.

ONE GROUP of women performed traditional dances. A freshly killed cow provided food. A group of prominent villagers sat under a makeshift tent, but most of the audience sprawled on a hillside field in front of the school. They listened to many speeches.

Then participants lined up to give, many handing a money collector the equivalent of \$1, \$5, \$10 and \$20 bills. Some of the contributors sacrificed as much as a seventh of their annual wages.

Others could not afford to give cash, so they made the supreme sacrifice: They agreed to sell one of their cows. In the end, they had raised more than \$5,000.

Mr. Naiyomah hopes the cash will help him launch his studies that he will eventually practice as a surgeon. He said he can think of only one way to show his gratitude to his people: He plans to open the village's first hospital.

COMING UP

Applewood Heights, a virtually all-white, English-speaking suburban Toronto high school two decades ago, today is a place where scores of cultures and languages swim together. A look at the new Canada.

Yeltsin Berates Close Adviser For Hinting at Election Delay

By David Hoffman
Washington Post Service

MOSCOW — President Boris N. Yeltsin declared Monday that Russia's presidential elections would take place as scheduled next month, an attempt to douse criticism set off when his chief bodyguard and confidant suggested that the vote might be postponed.

"I trust in the wisdom of the Russian voters," Mr. Yeltsin was quoted by the Interfax news agency. "That's why elections will be held in the time determined by the constitution."

General Alexander V. Korzhakov, head of Mr. Yeltsin's presidential security service and a shadowy but influential adviser, was quoted Sunday as saying that Mr. Yeltsin might postpone the elections because Russian society had become dangerously polarized between Mr. Yeltsin and the Communist Party candidate, Gennadi A. Zyuganov.

The general's comments were taken seriously not only because he has been at Mr. Yeltsin's side for many years but also because it is widely believed that he represents a group of Yeltsin lieutenants who fear losing their positions of power and profit through democratic elections.

Mr. Yeltsin continues to trail Mr. Zyuganov in some public opinion polls and is running close behind him in others, although the reliability of surveys here is still uncertain.

The first round of the elections is June 16. If no candidate receives a majority, there will be a second-round runoff between the top two vote-getters.

Mr. Yeltsin said Monday that he told General Korzhakov "not to meddle in politics and not to make such statements any more." General Korzhakov, although in theory only a bodyguard, has in the past also tried to influence political and economic policy decisions.

But Mr. Yeltsin also expressed sympathy for General Korzhakov's point. According to Interfax, Mr. Yeltsin said that "several people, not only Mr. Korzhakov, believe that Mr. Zyuganov's victory would be the beginning of a civil war."

General Korzhakov was widely criticized here for his suggestion to the British newspaper *The Observer*, and to Interfax, that the balloting might be postponed. "If the elections are canceled or postponed, then the situation will not be political — but criminal," he said. "If Russians were pinning their hopes for an improved standard of living on the elections and 'if these hopes are shattered, the situation in the country may become unpredictable and uncontrollable.'"

A group of prominent businessmen who recently appealed to Mr. Yeltsin and Mr. Zyuganov to bridge their differences also criticized General Korzhakov, saying that the country's political elite should speak out "unambiguously" against "this type of extremism."

The secretary of the Central Election Commission, Alexander Veshnyakov, said there were no legal grounds for a postponement. A Supreme Court Justice, Boris Eltszev, echoed this view.

Vladimir V. Zhirinovsky, the ultranationalist candidate, said General Korzhakov's remarks were a sign of weakness showing that the country's leadership "understands it is losing" the election race. "What kind of democracy is it if there are no elections?" he said.

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Hubert Saal, Music Critic, 72, Dies

New York Times Service

NEW YORK — Hubert Saal, 72, *Newsweek's* music and dance critic from 1964 until he retired in 1984, died here Saturday.

The cause was not immediately clear, said his son, Matthew.

Hubert Saal was known for his strongly held views. In a *Newsweek* cover story he wrote in 1969 on a fellow Brooklyn native, Beverly Sills, he said that when she was in a Rossini opera at La Scala in Milan, she turned a bravura section of one song "into a Fourth of July fire-

works, her voice heated to the point of incandescence, tossing off run after run with perfect intonation."

He was an editor at *Town and Country* and an instructor at the University of Miami before joining *Newsweek*.

Christopher Bird, 68, a writer whose books "The Secret Life of Plants" and "The Divine Hand: The 500-Year-Old Mystery of Dowsing" drew good-natured skepticism and some praise from critics, died of a stroke Thursday in Blairs-

ville, Georgia. He was best known for "The Secret Life of Plants: A Fascinating Account of the Physical, Emotional and Spiritual Relations Between Plants and Men" (1973), which he wrote in collaboration with Peter Tompkins.

Cardinal Leon-Joseph Suenens, 91, the former primate of Belgium and a major power-broker at the Vatican II Conference in the 1960s, has died of a brain thrombosis, the news agency Belga said. He headed the Belgian Roman Catholic Church from 1962 to 1980

Mexico's Zapatistas See 'Sign of War' in Jail Term

Reuters

LA REALIDAD, Mexico — The Zapatista rebels said Monday they considered a 13-year jail sentence handed down on one of their alleged leaders as a "sign of war" and threatened to break off peace talks with the government.

"We take the sentence" as a "sign of war," the Zapatista military leader, Marcos, told reporters, adding that the rebels were reconsidering their participation in the talks.

Last Thursday, a judge in the southern state of Chiapas imposed a 13-year prison term on Javier Elorriaga, a journalist whose television reports of the Zapatista rebellion were sold to foreign broadcasters.

Iraq Sanctions Kept in Place

Agence France-Presse

UNITED NATIONS, New York — The UN Security Council decided Monday to maintain international sanctions against Iraq for failing to comply with UN resolutions in place for almost six years, diplomats said.

Under UN resolutions, Iraq must satisfy arms inspectors that it has destroyed and given full information on its weapons of mass destruction to win an end to the oil and trade embargo imposed over its 1990 invasion of Kuwait.

BA Signs Up a Danish Airline

COPENHAGEN (Reuters) — British Airways said Monday that it had signed a franchise deal with a Danish company, Sun-Air of Scandinavia A/S, which it hoped would increase global ticket sales and end the regional dominance of SAS.

The agreement gives Sun-Air the right to use the British Airways Express brand name, fly under BA colors and flight codes and benefit from its worldwide reservations network, starting Aug. 1.

British Airways Express passengers will be eligible to join BA's frequent flyer program and earn points on their Scandinavian flights.

Venetian Gondoliers Clam Up

VENICE (Reuters) — This city's gondoliers have stopped serenading their customers as they

steer them through its romantic canals because of a dispute over pensions.

Fulvio Scarpa, president of the Gondoliers' Association, said his 60-odd members had been asked to contribute to a state pension fund for entertainers because their singing technically makes them freelance musicians.

"We've decided to suspend serenades until our accountants can meet representatives of the entertainers' pension fund to find a solution," he said.

Work Begins at La Fenice

VENICE (AP) — Workers on Monday began clearing rubble at La Fenice, the Venice opera house, which was destroyed by fire in January.

One team was creating space inside the theater to see if the floor was strong enough to hold supports for the remaining external walls. Another was

setting up scaffolding on the marble facade, which survived fairly intact.

Officials hope to reopen the 204-year-old opera house in three years. The cost of its reconstruction has been estimated at \$94 million.

Travelers often spend hours in cramped taxis stalled in traffic between Bangkok's airport and center, but new buses intended to ease the misery appear largely underused, the Bangkok Post reported Monday. (AP)

Correction

An article on March 30 incorrectly attributed to The Cambodia Daily a factious suggestion on how to eliminate the country's land mines. The suggestion was contained in a letter to the newspaper.

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Antigua (2 traditional phones)	877-0	Dominican Republic A	1-800-751-7877	Korea S	580-6086	San Marino	1000-15
Aruba (2 traditional phones)	1-800-366-4663	Ecuador	999-121	Laos	156-9777	Singapore	8000-177-177
Argentina	001-800-777-1111	Egypt (Cairo)	356-6777	Lithuania	800-197	Slovak Republic	0042-067-317
Australia	8-16-188	El Salvador	800-1776	Luxembourg	800-0115	South Africa	0-800-99-0001
Austria (Vienna)	800-5670	Finland	004-890-100-3	Macao	800-121	Spain	800-99-0013
Australia (Telnet)	1-800-511-10	France	900-1-0284	Malaysia	800-0016	Sweden	020-799-011
Bahamas	1-800-881-877	Germany	1-800-003	Malta	95-800-877-8000	Switzerland	155-9777
Belize	022-903-014	Ghana	0120-0012	Mexico	19-0087	Taiwan	0800-14-0877
Bermuda	1-800-389-2111	Greece	008-001-411	Netherlands	008-000-745-1111	Thailand	001-999-13-877
Bolivia	800-777	Honduras	020-7366	Netherlands A	06-025-911-111	Turkey	00-800-1-4477
Brazil	1-800-534-0042	India	121	New Zealand	000-999	Ukraine	8-100-15
Bulgaria	0800-10014	Hong Kong	800-1877	Norway	171	U.S. Virgin Islands	1-800-877-8000
Canada	556	Hungary	00-800-01-877	Paraguay	1-800-877-8000	U.S.A.	1-800-877-8000
Chile (all other)	812	Iceland	000-0003	Peru	176	United Arab Emirates	800-131
Colombia	1-800-623-0877	Indonesia	000-137	Philippines	115	United Kingdom (BT)	0800-99-0877
Costa Rica	0800-3333	Indonesia (Sulawesi)	001-801-15	Philippines (PLDT)	102-611	United Kingdom (Globe)	0200-59-0877
Croatia	1-800-877-8000	Ireland	1-800-877-8000	Poland	102-16	Uruguay	000417
Cuba	1-800-877-8000	Israel	177-102-2727	Portugal	00-800-111-0115	Vietnam City	172-1877
Cyprus	1-800-366-4663	Italy	173-1877	Romania	00017-1-877	Vietnam (Hanoi)	800-1111-0
Czech Republic	00-0317	Japan	873	Saudi Arabia	01-800-0877	Vietnam (Saigon)	1201-1111
	108-12	Japan (Tokyo)	0054-55-877	Senegal	155-6132		
	980-120-010	Japan (Osaka)	0059-131	Slovenia	0005-155-6133		
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THE AMERICAS

Beating of 2 Immigrants Sparks Anger - at the Victims

By Kenneth B. Noble
New York Times Service

LOS ANGELES — Nearly a month after a television news crew here videotaped sheriff's deputies clubbing two Mexicans, the incident continues to transfuse Californians, generating extraordinary soul-searching over the issue of illegal immigration.

Many people were pained by the videotape, released within hours of the beating and played with muzzling repetition on the local news. The grainy images stirred a range of feelings, including embarrassment, anger, sadness and honor as the officers used nightsticks on the unresisting Mexicans, a man and a woman, both illegal immigrants.

But although polls show that a majority of people believe the deputies used excessive force, a vocal and politically influential minority has directed their outrage instead at the people who were beaten. They have argued loudly,

on talk radio, in sound bites on the nightly news and in newspaper opinion columns, that people who sneak into the United States illegally, take American jobs and burden social services deserve what they get.

"When you are engaged in a felony, some force is likely to be used," said Ron Prince, the chairman of Save Our State, an organization that wants a crackdown on illegal immigration. "If our borders were secure, we wouldn't have these kind of incidents."

Joseph Perkins, a conservative columnist for The San Diego Union-Tribune, wrote recently that while no reasonable person would condone the beatings, it was not unreasonable to suggest that any fleeing felon of any race or nationality who leads the police on an hourlong chase at speeds of up to 75 miles an hour is not going to be treated with kid gloves once apprehended.

The anger at illegal immigrants was palpable on a talk radio show last week,

when a caller railed against "wetbacks" who "ought to be sent back to Mexico." Or, as another caller put it: "They come in, break our laws and get to stay. They have more rights than we do."

Even some civil libertarians with strong liberal credentials have found it hard to defend the illegal immigrants. While deploring the beatings, some say privately that they were appalled by the decision of lawyers for one of the Mexicans to file a lawsuit against Riverside County, alleging that the deputies "recklessly, intentionally and wantonly" violated their client's civil and human rights. The suit seeks \$10 million in damages. The Mexicans should not receive a huge monetary windfall, critics complained, because they were breaking the law.

Joel Kopkin, a fellow for public policy at Pepperdine University in Malibu, California, said: "A lot of people feel that what the cops did was wrong, and they should be punished for it. But should

the felons be rewarded for the fact that the police did something wrong? It's like these people have won the lottery."

The beatings occurred on April 1, after a high-speed chase over 80 miles of Southern California highways, ending about 20 miles east of downtown Los Angeles. The two victims, Alicia Sotero and Enrique Flores, were among about 20 illegal immigrants packed in a pickup truck. The others fled after the truck was stopped by the deputies.

The two officers involved, Kurt Franklin and Tracy Watson, have been suspended with pay pending an investigation by the U.S. Justice Department and other law enforcement agencies.

A decision on whether to indict the officers could come in the next two weeks, a person close to the investigation said.

Some critics have found it galling that Mexico, through its consul in Los Angeles, José Angel Pescador, encouraged the beating victims to sue for dam-

ages. Foreign Ministry officials in Mexico City have also said that Mr. Pescador was in contact with several Mexican-American and Hispanic organizations to encourage their protests to the Clinton administration and in the streets.

"Mexico Hypocrisy," thundered an editorial in The Fresno Bee, which went on to say that Mexico, given its own dismal rights record, had little standing to preach to the United States.

Among the most striking developments since the incident has been how the Hispanic community, which often has been divided over the question of illegal immigration, has been galvanized. In recent weeks, several rallies have been held to honor the two victims.

"Latinos were very offended by the beating," said Gregory Rodriguez, a research fellow for public policy at Pepperdine. "It was almost a delayed reaction to Proposition 187," the 1994 state ballot measure designed to deny benefits to illegal immigrants.

Police Find The Body of Ex-CIA Chief

The Associated Press

ROCK POINT, Maryland — The police found the body of William E. Colby on a marshy riverbank Monday, more than a week after the 76-year-old former CIA director disappeared while canoeing.

Mr. Colby apparently drowned, and foul play was not suspected, the officials said.

Mr. Colby supervised the CIA's covert warfare campaign in Vietnam in the 1960s, and then as director from 1973-76 tried to clean up the agency during its darkest hours.

He had been missing since he told his wife, Sally Shelton-Colby, on April 27 by telephone that he was going canoeing. The family has a waterfront vacation home in this southern Maryland town. She was visiting her mother in Houston at the time.

The canoe was found April 28 overturned on a Wicomico River sandbar a quarter-mile from the home. The area is near where the Wicomico empties into the Potomac River.

Corporal Leonard Sciukas, a police officer with the state Department of Natural Resources, found the body around 8 A.M. Monday while out searching in a boat. He said he spotted it from about 50 yards offshore, lying face down in a marshy area. No life jacket or other items from Mr. Colby's canoe were found with the body.

The site is a few hundred yards south of where the canoe was found. Searchers had combed the area heavily last week, Corporal Sciukas said.

Mr. Colby was probably alive when he fell into the water and got hypothermia and drowned, said Lieutenant Mark Sanders, a spokesman for the natural resources police.

Ruling out foul play, he said: "There is nothing unusual about this case at all." Mr. Colby's wife identified the body, which was dressed in khaki pants, a red windbreaker and a blue-and-white shirt.

Experts had said that the natural buildup of gas in a body after death often brings a drowning victim's body to the surface after a few days. The colder the temperature of the water, the longer the process takes.

Mr. Colby began his intelligence career during World War II, parachuting into France and Norway to fight the Nazis. Years later he headed the CIA's Saigon office during the Vietnam War and ran the pacification program and its Phoenix project aimed at rooting out the Viet Cong, the secret Communist apparatus within South Vietnam.

The Viet Cong was severely weakened by Phoenix with more than 20,000 suspects killed, nearly 30,000 captured and 18,000 persuaded to defect.

Summoned to Washington to answer charges about Phoenix before a Senate committee in 1970, Mr. Colby defended the project but conceded there may have been "some illegal killing."

He was nominated to be director on May 10, 1973, by President Richard Nixon, then in the midst of the Watergate scandal.

U.S. Veterans of the Phantom War

Americans Who Fought in El Salvador Get Recognition

By Bradley Graham
Washington Post Service

WASHINGTON — They stepped forward solemnly across the lush green Arlington National Cemetery lawn, a wife here, a son there, several teenage children in one case, a graying father and mother in another, all to receive military service awards for loved ones who died years ago in a Central American war where U.S. forces were not supposed to be fighting, or so the U.S. government said at the time.

But U.S. troops did come under fire in El Salvador, and fired back, as U.S. authorities now acknowledge. Dozens of soldiers who were there, many of them still in uniform, watched Sunday as Salvadoran children, escorted by U.S. commandos, placed tiny American flags beside the names of 21 killed in action.

Later, at an Arlington hotel, about 50 of the more than 5,000 U.S. veterans of

El Salvador's civil war also were honored for service in sometimes hazardous operations for which they have never received the kinds of badges and patches normally issued to U.S. service members after combat.

"For too long, we have failed to recognize the contributions, the sacrifices, of those who served with distinction under the most dangerous conditions," William G. Walker, U.S. ambassador to El Salvador from 1988 to 1992, told the cemetery crowd. "Only today, a full four years after the achievement of peace, are we finally and officially proclaiming that those who served and those who died did so for the noblest, the most unselfish of reasons."

Just what U.S. forces were doing in El Salvador generated some of the most heated political battles in Washington in the 1980s. Determined to draw a line in El Salvador against leftist insurgents after Nicaragua fell to the Sandinistas,

the Reagan administration in 1981 beefed up Special Forces teams sent to train Salvadoran government troops to fight an increasingly strong guerrilla army, the Farabundo Martí National Liberation Front.

But Republicans worried that news of U.S. troops engaging in combat in El Salvador, even in self-defense, would recall the ill-fated creep two decades earlier into Vietnam and prompt the Democratic-controlled Congress to cancel aid programs.

By the time a Salvadoran peace accord was signed in 1992 and Democrats had taken charge of the White House, there was little interest in Washington for setting the record straight about U.S. military actions in El Salvador and considerable hesitation among army leaders about doing so.

"It had been determined this was not a combat zone, and they were going to hold the line on that," said Joseph Stringham, a retired one-star army general who commanded U.S. military forces in El Salvador in 1983 and 1984. "I've puzzled over why. It may be something as fundamental as the bureaucracy not wanting to reverse itself."

Officially, there were only 55 American advisers in El Salvador at any one time, and their roles of engagement prohibited them from participating in combat operations. But none doubted he was in a combat zone.

They carried weapons, received combat pay, accompanied government troops in the field and were targeted by guerrillas, who had decided U.S. troops were fair game.

Particularly troubling for many who knew the truth were the incomplete or outright false official reports relatives received about the circumstances surrounding the deaths of those killed in action in El Salvador.

Judy Lujan, wife of Lieutenant Colonel Joseph H. Lujan, was told her husband died in 1987 when the helicopter carrying him crashed into a hillside during stormy weather. But the army never produced her husband's personal effects or photographs of his corpse, despite her repeated requests, she said. "I can't get on with my life, I can't do anything, until I know for sure he's dead."

Relatives of Gregory A. Fronius, a 28-year-old Green Beret sergeant, know he was killed during a guerrilla attack on a Salvadoran brigade's headquarters at El Paniso. But initially they were informed he had died in his barracks when a mortar shell struck. In fact, Sergeant Fronius had bolted from the barracks and was trying to rally Salvadoran soldiers for a counterattack when several guerrilla snipers shot him.

"First they told me one thing, then I found out something else," said Celinda Carney, who was married to Sergeant Fronius. "I was upset."

U.S. military authorities also denied Sergeant Fronius a posthumous Bronze Star, ruling, as they did on other award nominations from commanders in El Salvador, that combat patches and medals could not be given to soldiers for actions in a place never recognized as a combat zone.

The turnaround in the official U.S. line about America's military involvement in El Salvador came in February when President Bill Clinton signed the 1996 Defense Authorization Act.

A provision, pushed through by Representative Robert K. Dornan, Republican of California, ordered the Pentagon to give Armed Forces Expeditionary Medals to all who served in El Salvador from January 1981 to February 1992.



HARD RAIN — Jason Schenimann sweeping his grandmother's driveway after a storm with winds of up to 80 miles an hour downed power lines and uprooted trees in Scott City, Missouri.

POLITICAL

Sparring on the Gas Tax and Education

WASHINGTON — The House Republican leader, Richard E. Armey of Texas, has suggested that the revenue loss from a repeal of the 1993 gasoline tax could be offset by cutting spending on education.

"Maybe we ought to take another look at the amount of money we are spending on education," he said Sunday on NBC. "There is a place where we're getting a declining value for an increasing dollar. It's in education."

"If in fact we can get some discipline in the use of our education dollar, I think we can make up the difference," he said.

The White House said that targeting education funds was not acceptable. Reducing the 18.3-cent-a-gallon gasoline tax by 4.3 cents, as proposed, would save the average motorist about \$27 a year, but would reduce revenue by \$30 billion to \$35 billion over seven years, the White House estimates. (WP)

Little Pig Episode Ends Poorly for Speaker

WASHINGTON — Newt Gingrich's recent televised tussle with a squealing piglet has become a public relations fiasco akin to his lousy fit with President Clinton had him go out the back door of Air Force One after the trip from Yitzhak Rabin's funeral.

Mr. Gingrich, the Georgia Republican who is speaker of the House, likes to appear with cuddly animals, figuring it can help soften his image. This time, he found himself taking brutal shots from conservative and liberal columnists alike. Mr. Gingrich, appearing April 26 on "The Tonight Show" dangled the cute little critter at arm's length, causing it to shriek in discomfort and fear. The host, Jay Leno, cradled a quiet little piggy against him, and watched as the squealing — and the speaker's discomfort — went on and on. Finally, he took Mr. Gingrich's animal and calmed it down as the audience roared with laughter.

But the only reporter there, Jeanine Cummings of the Atlanta Constitution, says there is more to the story. It seems that just before the pig segment, a producer warned both men to be careful because one of the piglets had relieved himself on a handler during rehearsal. No one was sure which pig did so.

Mr. Gingrich, scheduled to appear at two fund-raisers immediately after the show, had only one suit with him. So he decided not to take any chances when he held the piglet. It all went downhill from there. (WP)

Democrats Narrow the Huge Cash Gap

WASHINGTON — With the fate of their large freshman class crucial to continued control of the House, Republican leaders and friendly political action committees have given the class of '94 lopsided financial advantages over their Democratic challengers.

But many of the Democratic challengers are catching up. They did well raising money early this year, so well that a growing number are becoming financially competitive.

Overall, the average Republican freshman began last month with \$180,362 on hand, while the typical challenger had \$39,270, according to reports filed with the Federal Election Commission. Since Jan. 1, 1995, the average total from fund-raising for the 71 Republican freshmen seeking re-election was \$384,376, with \$139,800 from political action committees and other company committees. The average challenger has raised \$68,562, with \$12,500 from political action committees. (NYT)

Quote/Unquote

President Clinton, in a letter saying he will endorse Republican legislation that would allow most adoptive families to claim a \$5,000 tax credit: "Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves — loving parents and a healthy home." (WP)

AMERICAN TOPICS

British Stewardess Saves Fishermen From Aloft

A British Airways stewardess who spotted black smoke in the Atlantic Ocean helped save three American fishermen whose boat was burning.

"It was literally luck," Joanne Savage said on returning to London. "I'm thrilled to bits that all the fishermen are all right."

Miss Savage, 31, said the Boeing 747 was flying over the Atlantic Thursday at 34,000 feet (10,000

meters), en route to New York from London, when she looked out the window.

"There was a moment when the clouds parted and I saw black smoke on the water," she said. "Twenty seconds later there was a complete cover of cloud again, so I wouldn't have seen it."

Cabin crew are trained to report anything unusual, and Miss Savage told the head steward, Terry Mills, about the smoke.

He alerted the captain, Dave Cobley, who switched to the aircraft's emergency channel and picked up a signal from an automatic SOS beacon. He then contacted American authorities.

A helicopter that was filming whales in the area, about 100 miles (160 kilometers) northeast of Cape Cod, rescued the fishermen

from a life raft and flew them to safety in Boston.

Ballplayers Caught Out

On the way home from an away game, members of the Duxbury, Massachusetts baseball team, dressed in their uniforms, stopped at a store in Sagamore Beach and helped themselves to candy, baseball cards and bottles of soda, school officials said, and without paying, sauntered out of the store and got back on the team bus with more than \$100 worth of merchandise.

When the school principal, Wayne Ogden, learned of the shoplifting spree, he said the players would face charges if those responsible did not confess. He also told them that their remaining 13 games

would be forfeited. Brian Confer, 18, the left fielder and co-captain, said no one wanted to inform on their teammates.

Although some players had not participated in the shoplifting, the team decided at a meeting that the best solution was for everyone to turn in his uniform.

"My sense is that the players oow feel terrible," he said.

Mr. Ogden said that in addition to forfeiting the games, the players would lose the \$135 fee each paid to participate. He also said the players would make full restitution to the store and would undertake a community service project.

International Herald Tribune

Away From Politics

• New York state has tracked down 17,500 parents who so far have failed to pay child support, and the two-month-old program will probably garner \$14 million in payments to children within a year, Governor George Pataki said at a news conference. Begun in March, the program requires employers to provide the state Department of Taxation and Finance with the Social Security numbers of all newly hired employees within their first 15 days on the job. That list is then compared with the New York Department of Social Services' list of parents who owe child support. (NYT)

• Journalism school graduates are the lowest-paid college-educated workers joining the labor force. They are also increasingly likely to have been trained by people with doctorates but with little or no experience as reporters or editors. This picture of the life and work of 500 university journalism programs was drawn by Betsy Medsker, ex-chairman of the journalism department at San Francisco State. (NYT)

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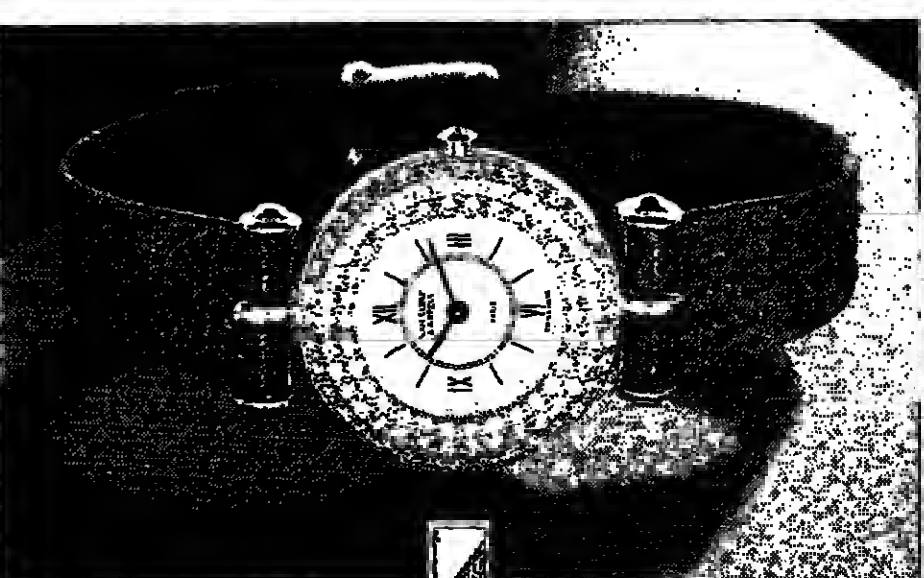
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ASIA/PACIFIC

Japan's Bureaucrats Fumble Away the Traditional Center of Power

By Sheryl WuDunn
New York Times Service

TOKYO — When Japan's previous prime minister, Tomiichi Murayama, took office two years ago, his aides begged Japan's senior bureaucrats, a man who had served seven prime ministers, to stay on, for fear that the government would descend into chaos without him.

Japan's prime minister heads the government, of course, but some say that to encounter real power one must talk to the bureaucrats who effectively write the laws and run the country.

Far more than in the United States, the best and the brightest of Japan have chosen to sit for the grueling civil service exams and work for government ministries. And while they are given cramped housing and low salaries, the governing system gives them the right to make most of the nation's policy, virtually unhampered by politicians.

But these days the bureaucrats are in trouble.

Kanryo, or "bureaucrat," has generally been a neutral term in the minds of many Japanese, but in recent months it has become a tainted title. After a spate of colossal mistakes, the national trust in the bureaucracy has collapsed.

The young men (and, very occasionally, women) who ace every test in school and ended up in the ministries are facing growing calls for a fundamental reallocation of power from their hands to elected politicians and the people.

"I have never seen the authority or prestige of bureaucrats so heavily damaged by a series of accidents or troubles," said Takeshi Sasaki, a professor of political science at Tokyo University. "This is very serious. The next question is, Who should be in charge of the matter of replacing the bureaucrats?" Japanese bureaucrats essentially answer to no one, not the cabinet ministers, not the prime minister and not the party leaders.

The prime minister has a small staff, which relies on the 12 ministries and the 260,000 bureaucrats who work in them. The ministers are political appointees who sail in above bureaucrats in title, but who are beholden to them for policy and background information.

Ministers speaking to politicians in Parliament often reply this way to questions, "Since this is an important issue, I must turn the floor over to the government officials."

When a cabinet minister dismissed a bureaucrat two years ago, an uproar erupted be-

cause ministers rarely make personnel decisions. In fact, they do not even bring in their own people but inherit the top career officials who dominate policymaking in each ministry.

One result, critics say, is that bureaucrats have become alienated from the wishes of the people.

"They are in a different world from us ordinary people," said Nobuko Serizawa, a graduate student in economics. "The system is

relations with gangsters. Now the ministry is asking taxpayers to pay \$6.5 billion in just the first installment of a clean-up plan.

There was a cover-up after a minor accident at a nuclear reactor, making Japanese lose confidence in the competence and safety assurances of bureaucrats running the nation's reactor program.

The police for years ignored the rise of the religious cult, even as it was accused of killing its critics. The cult leader, Shoko Asahara, is now on trial for murder.

The government was paralyzed by the huge earthquake that devastated the city of Kobe last year. Some 6,000 people died in the quake, and it seems that many could have been saved if the authorities had acted more quickly.

Few people are as pained and angered by the bureaucratic incompetence as a 46-year-old real-estate entrepreneur, a homophiliac who became infected with the AIDS virus through tainted blood. A mild-mannered man who keeps his condition a secret for fear of social discrimination, he now helps lead a group of victims filing a suit against Health Ministry bureaucrats. "If they had known they would

have to take responsibility for decisions they make, then I don't think this kind of virtual murder could have happened," he said.

About 400 homophiliacs and other former hospital patients have already died, and thousands more now have the human immunodeficiency virus, HIV, because bureaucrats promoted the use of tainted blood for homophiliacs and banned sterilized blood from being imported into Japan.

Ministry bureaucrats finally allowed sterilized blood to be imported in mid-1985, after all major countries had approved the new clotting agents, which are treated with heat to kill viruses.

Only after Naoto Kan, the newly appointed health minister, led a crusade against his own ministry were hidden documents discovered that shed light on how bureaucrats decided to ban sterilized blood, even after being told of the risks of HIV contamination.

Now the bureaucrats have lost a battle: A panel has recommended that people be given the right to demand disclosure of government documents. A litigious attitude is spreading. People are filing suits against the Finance Ministry for its mishandling of the bad-debt crisis and its proposal to use taxpayers' money in the liquidation of the nation's mortgage lenders.

After a spate of colossal mistakes, the national trust in the bureaucracy has collapsed.

so murky, and they should be criticized for their inability to respond to the public."

The humiliation of the bureaucracy has come with these revelations:

Bureaucrats at the Health Ministry ignored warnings that blood supplies were contaminated with the virus that causes AIDS and for years resisted allowing imports of sterilized blood. A result was many deaths among Japanese homophiliacs from AIDS.

Finance Ministry bureaucrats allowed banks and mortgage lenders to accumulate billions of dollars in bad loans, often through cozy

India's 'Bandit Queen' Shakes Up the System

Low-Caste Woman Takes Aim at Office

By Kenneth J. Cooper
Washington Post Service

MIRZAPUR, India — Phoolan Devi made her name breaking the law, roving the ravines and badlands of northern India. She robbed villagers who had wealth and gave to others who did not. Now, she wants to help make the laws of the land.

Back then, the police chased Miss Devi and her gang, trying to arrest them. Now the officers who trail her motorcycle carry assault rifles to protect her, not themselves.

The poor, lower-caste woman, who turned outlaw after she says she was raped and abused, is running for Parliament. Her celebrity campaign concludes Tuesday when the region around this carpet-making city in northern India votes in the next phase of nationwide elections. The turn of events reads like a sequel to the controversial 1994 movie about her life, "Bandit Queen."

She belongs to a socialist party that, like her gang, aims to play Robin Hood to the poor and lower castes into which she was born. Her main opponent, the incumbent, belongs to a predominantly upper-caste party and is of the same high caste as the men she says gang-raped her in 1980 in the nearby village of Behmai. Miss Devi and her gang allegedly took revenge by killing 20 men and boys in Behmai several months later.

Miss Devi's campaign reflects the kind of caste conflict that has become more pronounced in India's politics — particularly here in the populous state of Uttar Pradesh — as the low-caste voters who make up 70 percent of India's population have embraced parties that assert their interests.

For several centuries, Hindu traditions have ranked individuals at birth into castes that define their occupation, social standing and degree of religious purity. India's 1950 constitution outlawed discrimination based on caste and set job quotas for lower castes, but bias has persisted.

The parties have sought low-caste voters by promising political power, social justice and development.

India's disadvantaged groups had previously been "vote banks" for the governing Congress (I) Party, whose past socialist governments invested relatively little in basic health and primary education programs for the poor. The loss of many low-caste voters has damaged Congress' prospects in wide sections of northern India, especially Uttar Pradesh.

Miss Devi is one of more than a dozen candidates in Uttar Pradesh accused or convicted of crimes, a pattern some Indians blame on "the criminalization of politics." In fact, if she should win, her past could block her from serving in Parliament. Murder charges against her are pending, 15 years after the alleged crime.

As a woman, Miss Devi represents an Indian minority often suppressed, scorned and abused, much as she was. Like other women, she was forced to have sex as a child bride.

The district in eastern Uttar Pradesh where she is running for office lies across the state from the arid territory where she was born and was a bandit, but she has a devoted political following here.

One afternoon last week, supporters waited patiently at her upstairs campaign office for her late arrival. When she finally drove up, everyone rushed to the windows and downstairs to her car. She sat still for a few minutes to receive greetings. Then in her Indian-made car, she raced off, leaving local police officers and foreign reporters scrambling to catch up.

To those who call her an outsider, Miss Devi replied in a speech at Biharsa village: "I am your sister. I am your daughter."

She added, "If you vote for me, then I promise you that no woman will go around asking people to look at her problems of water and roads. Everybody will get everything."

She urged a vote for the "cycle," the



Phoolan Devi, onetime desperado, is leading a crusade in Uttar Pradesh.

bicycle that serves as cheap transport for the poor and as the ballot symbol of the Samajwadi Party. "Cycle is steady, it's yours, it's from your daily life, just like me," she said.

The crowd under the open-sided, multicolored tent was about one-third female, a bigger proportion than usual at political rallies in India. Many other

women lined the road to watch Miss Devi's motorcade pass.

"I will vote for Phoolan Devi," vowed Lalitdevi, a woman of about 40 from the same mullah caste of fishermen and boat operators as the candidate. "I have known her name for a number of years now. I have heard she was a bandit. If somebody harasses and abuses me, I may also become a bandit."

Miss Devi denied that her campaign seeks revenge for her caste. But she has not always been so careful to observe the election commission's ban on candidates saying or doing anything to "create mutual hatred or cause tension between different castes." Upon filing her nomination papers, Miss Devi reportedly said she harbored enmity against thakurs, a landholding caste that inhabits the village where the gang rape and revenge killings allegedly occurred.

Still, Miss Devi stuck to her party's socialist line in an interview last week. "I understand only two castes in the world — the poor and the rich," she said.

Beijing Eases Its Stand On Human Rights Probe

By Steven Mufson
Washington Post Service

BEIJING — China, which has rebuffed recent inquiries into its human rights policies, allowed a U.S. Customs official to inspect a prison factory last month and said it would consider an appeal by a private American businessman for China to release more information about political prisoners.

Chinese officials last week told John Kamm, a business consultant, that they had allowed a U.S. Customs agent to visit a prison facility in Shanghai on April 21. A U.S. official confirmed that the inspection was made.

Though the inspection should be routine under procedures China agreed to under a memorandum of understanding on prison labor with the United States, it has been approximately a year since the last visit took place. China failed to live up to the accord after relations with the United States deteriorated last year. Ministry of Justice officials told Mr. Kamm that they would not schedule another prison check until they saw the report from this one, which is due in 60 days of the visit.

The Ministry of Justice also accepted a list of prisoners from Mr. Kamm, who has for years waged his own private campaign to prod the Chinese government into improving its human rights

practices. He said that officials advised him to "wait for the dust to settle" on certain controversial issues. A former Occidental Petroleum Corp. executive, the San Francisco-based Mr. Kamm runs his own consulting firm for companies investing in China.

Though China has agreed to engage in a human rights dialogue with the United States, it has refused to meet with State Department officials in charge of human rights.

"It's quite clear that it's a partial resumption of the human rights dialogue," Mr. Kamm said. "They have moved a little bit."

But any movement was little indeed. Chinese officials also said that the government would not resume a human rights dialogue with the State Department's bureau of human rights until the State Department dropped efforts to pass resolutions at the United Nations Human Rights Commission condemning China's human rights record. The most recent effort to win passage for such a resolution recently failed at commission annual session in Geneva. The United States has led those efforts.

Any gesture toward a more compliant position toward human rights would be timely for China, because the U.S. Congress is preparing to debate whether to strip China of its most-favored-nation trading status with the United States.

Would-Be Assassin Returns To Taiwan After Years of Exile

Compiled by Our Staff From Dispatches

TAIPEI — A leading Taiwanese independence activist who tried to assassinate the son and political heir of President Chiang Kai-shek returned to Taiwan on Monday after 26 years in exile in the United States.

Peter Huang, 59, failed in an attempt to shoot Deputy Prime Minister Chiang Ching-kuo in New York in 1970.

"After all these years, Taiwan has made a lot of progress in terms of liberalization and democratization," Mr. Huang said in a telephone interview. "I decided to come back and see what I can contribute here."

Mr. Huang was convicted in the United States, but charges against him in Taiwan have expired and he does not face prosecution. The government made no immediate comment on his return.

Mr. Huang said Taiwan had changed since he and another advocate of Taiwanese independence, Cheng Tze-tsai, tried to kill the younger Chiang, who took over when his father died in 1975 and served as president until his own death in 1987.

"It was a very different time back in 1970," Mr. Huang said. "It's much more free and open now."

Mr. Cheng returned to Taiwan in 1991, a year before Taipei lifted a ban on the return of exiled dissidents.

Under the Chiang family's rule, many dissidents earned the Nationalist government's anger for demanding that Taiwan declare independence and abandon its goal of reunification with China.

China has viewed Taiwan as a renegade province since a civil war separated them in 1949. Beijing has threatened to retake the island by force if it opts for independence.

Meanwhile, an official of Taiwan's governing Nationalist Party began a business trip to China on Monday. Cheng Feng-shih, director-general of Nationalist Intra- and Inter-Party Relations, and two deputy directors of the office, will visit Mr. Cheng's business counterparts in Beijing during a four-day trip, an aide said.

"This is a business trip and has nothing to do with politics," the aide said by telephone, denying a newspaper report that Mr. Cheng would meet high-level Chinese officials to discuss ties between the two countries. The aide declined to elaborate on what Mr. Cheng would be doing in China.

(Reuters, AP)

As India Vote Nears Finale, 17 Die in Clashes

The Associated Press

NEW DELHI — At least 17 election-related deaths were reported Monday as Indians prepared for the last major phase of an election that is expected to change the face of the nation's politics.

More than 70 people have died in violence since campaigning began in March.

Sixty of this year's deaths have occurred in eastern Bihar state, an underdeveloped region where hostile castes often turn to violence during elec-

tions. On Sunday, 13 members of a private army guarding upper-caste landlords were shot and killed by suspected Communist activists. Landlords formed the army to fight low-caste militants, who are backed by local Communists.

Voting already has taken place in about two-thirds of India, and most of the rest is to vote Tuesday. Elections in the state of Jammu and Kashmir will be held at the end of May, but the shape of the future government in the rest of the country will be known by then.

Polls have said neither of the main parties — the incumbent Congress (I) Party or the opposition Hindu Bharatiya Janata Party — is likely to get a clear majority. Many pundits expect the Congress Party to lead a loose coalition, but many Communist leaders have said they will not back the party if Prime Minister P.V. Narasimha Rao remains its leader.

Mr. Rao has brushed aside criticism. "I do not see the possibility of any succession struggle, as there is no conflict over the leadership," he said.

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Australia to Get New Gun Laws

CANBERRA — Prime Minister John Howard announced measures Monday to tighten Australia's gun laws. The announcement comes eight days after a massacre in which 35 people were killed by a man using military-style assault rifles.

Mr. Howard vowed that he would seek a total ban on military-style automatic and semiautomatic weapons, a six month amnesty for the surrender of these weapons and automatic jail sentences for gun owners who refuse to give up these weapons after that.

But he promised that those who do surrender their guns will be fully compensated. "It gives me no pleasure to make this statement, because it does involve an infringement of individual liberties by the state," Mr. Howard told Parliament.

There are tens of thousands of these weapons in Australia, and the buyout will cost millions of dollars. (AP)

Pakistani-Afghan Talks Start

ISLAMABAD, Pakistan — Talks between Pakistan and Afghanistan opened here Monday almost nine months after a mob ransacked the Pakistani Embassy in Kabul, killing one person and badly beating several others, including the ambassador.

The talks, said to be over compensation and a possible road link between the two countries, follow a formal apology from President Burhanuddin Rabbani's govern-

ment and a promise to compensate Pakistan. The mob chanted slogans accusing Pakistan of supporting Mr. Rabbani's biggest rival, the Taliban, an army of former seminarians turned guerrilla fighters. (AP)

Move by Kim Il Jong Expected

TOKYO — The North Korean leader, Kim Jong Il, intends to assume the presidency of the nation and become general secretary of the ruling Workers Party after July next year, the third anniversary of the death of his father, Kim Il Sung, a Japanese newspaper said Monday.

The Asahi Shimbun was quoting Moon Myong Ja, editor-in-chief of U.S. Asian News Service. Mr. Moon visited North Korea in late April.

VOICES From Asia

Kali Hija, a eunuch who is contesting India's parliamentary elections as head of the Judicial Reforms Party, which vows to stamp out political corruption: "People believe in what I promise because they know as a eunuch I cannot be lured with wealth, women or sex." (AFP)

Gopal Gandhi, a grandson of Mohandas Gandhi, after being named ambassador to South Africa, where the Indian independence leader began to champion civil rights a century ago. "I am naturally thrilled about the prospect of going to a country where my grandfather made such a formidable reputation and where my father was born." (AP)

EUROPE

Spain Warns EU on Single Currency

MADRID — Prime Minister José María Aznar and his government took office Monday with a thinly veiled threat of retaliation if other European Union states fail to wait for Spain on the road to a single currency.

Foreign Minister Abel Matutes Juan, a former EU commissioner, issued the warning in interviews with Spain's two main newspapers and a radio station hours before King Juan Carlos I swore in the cabinet.

Mr. Aznar, 43, a former tax inspector who beat the Socialist prime minister, Felipe González, in elections in March, has said his top aim is to cut spending so Spain can meet the EU's strict economic standards and join a single currency.

Foreign Minister Matutes said in the interviews: "At the current rate, we won't make it to time, so an extra effort will be needed."

"Even so, it will not be easy," he added.

Asked what would happen if Spain were not ready to join the first wave into Economic and Monetary Union to early

1998, he said: "It seems to me a reasonable idea to stop the clock of monetary union for a few months so that a few more of us can jump on to the bandwagon. It's even likely this will happen."

"What's more, I don't think France will want to leave out countries of the size of Spain and Italy, with competitive economies," he continued.

In the debate over monetary union, the word "competitive" is usually part of the phrase "competitive devaluations" — the risk that states that do not qualify for single currency might give up and devalue their money, making their exports much more competitive and storming their partners' markets.

France is one of the EU states most concerned about trade and has been seeking ways to prevent competitive devaluations.

Mr. Matutes's words echoed those of his predecessor in the outgoing Socialist government, Carlos Westendorp, who shocked EU members in January by warning that the bloc might have to stop the single currency clock if it could not

include such states as Britain, Italy and Spain.

The new foreign minister's gloomy assessment of Spain's chances of meeting the so-called convergence criteria in time was sharply at odds with the general line taken by Mr. Aznar and his finance minister, Rodrigo Rato Figaredo, who say it can be done.

In another interview, Mr. Matutes refused to rule out closing the border with British-ruled Gibraltar if measures adopted by the previous government to stem the flow of drugs and contraband proved insufficient.

He told the newspaper El Mundo that he did not want ties with Gibraltar to be severed but that he would "adopt, if necessary, all alternative measures, without ruling out any solution."

He added: "For the time being we are going in back the measures recently approved by the previous government. But if they prove insufficient, we will up the pressure."

The border with Gibraltar was reopened to 1985 after being sealed for 16 years. (Reuters, AFP)



Britain's agriculture minister, Douglas Hogg, left, with his Italian counterpart, Walter Lucchetti, visiting a winery Monday near Otranto.

Germany Bars Rapid Easing Of EU Ban on British Beef

OTRANTO, Italy — Germany excluded on Monday any quick easing of the export ban on British beef despite renewed efforts by Britain to assure other European Union countries over "mad cow" disease.

The German agriculture minister, Jochen Borchert, said Britain had yet to present enough evidence to convince veterinary experts that it was safe to lift the ban on some beef products.

"The member states are not willing to ease the ban," Mr. Borchert told reporters at a meeting of EU farm ministers in this Adriatic resort town.

He said the EU's veterinary committee would not relax the ban at a meeting Tuesday and Wednesday in Brussels.

"For sure, it won't begin at the veterinary committee," Mr. Borchert said of an easing of the ban.

The British agriculture minister, Douglas Hogg, said he was holding informal talks with his EU colleagues during the three-day meeting here in an effort to convince them that his country had imposed adequate safeguards.

"We very much want to see the EU ban lifted with all possible speed," he said.

On Sunday, a Conservative member of the British Parliament, John Townend, urged the government to threaten retaliatory action, such as banning beef from other EU countries, if the embargo was not lifted within three weeks.

EU officials have warned that such action would be illegal and could start a trade war within the Union.

Britain has been pushing for the veterinary committee to exempt beef fat and beef-based gelatin, products widely used in cosmetics, candy and medicines.

French Herd Is Killed

One of two herds of cattle in which cases of mad cow disease were detected last week has been destroyed, Agence France-Presse reported from Cherbourg, France, on Monday.

The 123 cattle, belonging to a farmer at Orglandes, near Cherbourg, were slaughtered Sunday. Their remains will be incinerated, veterinary services said.

In addition to an infected cow in the herd at Orglandes, the authorities announced last week the discovery of a case of bovine spongiform encephalopathy in a herd at Saint-Nicodème, near Guingamp, in Brittany. They said the second herd would be destroyed soon.

Italy Blocs Open Talks on Top Jobs

ROME — Italy's center-left Olive Tree group, winner of last month's election, held talks Monday with opposition leaders, but put off discussion of the question of who will get top jobs in Parliament.

The meeting was only preliminary, said Gianni Letta, a representative of the center-right Freedom Alliance, said as he left Olive Tree's headquarters in Rome. "We didn't mention names."

He said the talks, aimed at reaching agreement on candidates for the presidents of the Senate and Chamber of Deputies, would resume Tuesday.

The meeting, which Mr. Letta called "an initial frank and cordial exchange of views," followed newspaper reports that the two blocs were at odds over an offer by the Olive Tree leader, Romano Prodi, to give the Senate presidency to the Freedom Alliance.

Newspapers said Olive Tree leaders were upset because the Freedom Alliance leader, Silvio Berlusconi, announced Sunday that he had already chosen a former president, Francesco Cossiga, for the job. But Olive Tree's No. 2, Walter Veltroni, played down the conflict. "The Freedom Alliance did not put forward any names," he said.

U.K. Feels Wronged by Europe Rights Court

By Sarah Lyall
New York Times Service

STRASBOURG — Seven years ago, the British Board of Film Classification banned Nigel Wingrove's video "Visions of Ecstasy," saying its graphic scenes of Jesus having sex with a Carmelite nun violated Britain's centuries-old law against blasphemy.

What could Mr. Wingrove do? Having exhausted his legal remedies in Britain, he did what more and more of his aggrieved countrymen are doing when they find themselves on the wrong side of a British law.

He took his case to the European Court of Human Rights in Strasbourg, where his lawyers argued in February that Britain's blasphemy statute was arbitrary, anachronistic and illegal under the broader laws of Europe.

"This film's banning by Britain constitutes a direct infringement of the protection in Article 10 of the European Convention on Human Rights," Mr. Wingrove's lawyer, Geoffrey Robertson, told a panel of judges from 12 countries, including Iceland, Malta and Estonia.

"Is the law any different in principle from the laws against blasphemy in Iran?" If history is any indication, Mr.

Wingrove may well prevail when the court makes its ruling in the next several months.

Eighty cases have been heard against Britain in the court's 36-year history, more than against any other country except for Italy. And, in what many Britons see as yet another example of Europe's confounding Britain's efforts to rule itself, the court has found Britain guilty of human rights violations 41 times.

"In the United States, people have protection under the constitution, which enshrines many of the basic human rights in law," said Duncan Lustig-Frean, deputy director of Liberty, a British civil rights group.

"With the U.K., there is no constitution and no bill of rights. There isn't anything."

What in Britain is referred to as the constitution exists not as a written document, but as the accumulation of common law and precedents.

The European Court are brought under provisions of the 1950 European Convention on Human Rights, which Britain signed, and involve speech, privacy, the press, religion, sexuality, corporal punishment and the rights of suspects, immigrants, prisoners and

human rights as we think we are."

But even as Mr. Wingrove hopes for relief, many Britons are profoundly unhappy with the court at a time when European institutions are seen as meddling more and more in Britain's internal affairs.

Last fall, the court provoked a furor when it ruled that the killing in 1988 of three unarmed Irish Republican Army members by British security forces in Gibraltar who suspected that they were on a bombing mission had violated the suspects' right to life.

In a follow-up order that Michael Heseltine, the deputy prime minister, called "ludicrous and incomprehensible," the court also ordered the British government to pay \$60,000 in legal costs to the suspects' families.

"This really is the last straw," Patrick Nicholson, an MP and chairman of the Conservative backbench legal committee, said.

"It's yet another example of countries, many of whom have a deplorable record on human rights, presuming to lecture our home secretary and our courts. The British people are fed up with our courts being overruled by a bunch of academic civil servants in Strasbourg who do not understand our legal system."

From the point of view of human rights lawyers, there are very few of the decisions with which one could take issue," said Sir William Goodhart, a member of the executive committee of the International Commission of Jurists, a human rights group. "What this says is that we're not nearly as good at

Biker Wars Break Scandinavian Peace

By Stephen Kinzer
New York Times Service

COPENHAGEN — The hum of business at Copenhagen's smoothly efficient airport was broken by bursts of automatic weapons fire one afternoon recently. Members of the Hell's Angels motorcycle gang were ambushing a group of rival bikers returning from abroad. They killed one and seriously wounded two others. In the weeks since then, the rival Bandidos gang has attacked two Hell's Angels clubhouses with rocket-propelled grenades stolen from a Swedish army base, and a Bandidos leader serving time at a Danish prison was nearly killed when a hand grenade exploded under his bed. The police are awaiting the next blow.

With a brutality almost unknown in this part of the world, biker war has come to the land of "The Little Mermaid." Deadly clashes to Sweden and Norway suggest that it may be spreading throughout Scandinavia.

The fighting has not disrupted the region's close-knit societies, but it has sparked questions about the ability of Scandinavian society to deal with new social pathologies.

"The big Nordic motorcycle club war is on," said Per Larsen, chief of detectives for the Copenhagen police. "This is something new for us socially and politically. It's a challenge. We are still a very peaceful country, but we're starting to get some disturbances around the edge."

On the surface, the biker conflict is over whether the long-established Hell's Angels will be forced to share their turf here with the Bandidos. But on a more visceral level, it is about ego, adventure and the playing out of masculine codes.

Since the Copenhagen chapter of Hell's Angels was chartered by the California central office more than a decade ago, it has dominated the Scandinavian biker scene. But in the last few years, the Bandidos, headquartered in Houston, have emerged as rivals. Neither gang seems able to tolerate the other, and each attack is seen as requiring a response of growing intensity.

No one knows how the current war began, but some say a series of insults or perceived discourtesies at a Stockholm bar last year may have touched it off.

Among the first casualties was the leader of the Swedish Bandidos, who was killed by a sniper while riding his motorcycle. Several weeks later, on the same day as the Copenhagen airport ambush, a Norwegian member of the Bandidos was seriously wounded in Oslo.

In a rare interview with a Danish newspaper several months ago, the leader of the Bandidos, Jim Timmahn, whose black leather vest bears a patch reading "Expect No Mercy," said he and his comrades seek no more or less than respect.

"This is about pride and honor," Mr. Timmahn said. "There will always be somebody ready to kill for that."

No spokesman for Hell's Angels was willing to be interviewed this week, but a journalist was allowed to walk through the Copenhagen clubhouse on condition that he ask no questions.

The clubhouse is opposite an auto repair shop in an outlying section of town, far from tourist attractions. Two carloads of police officers monitor comings and goings.

Inside, past a set of television monitors that show what is happening on surrounding streets, walls are covered with congratulatory plaques from Hell's Angels chapters in places ranging from Sydney to Berkshire County, Massachusetts.

Around a bar that might be set in a college fraternity house, signs bear mottoes like "One fifth is worth 1,000 words," and "Let them hate as long as they fear."

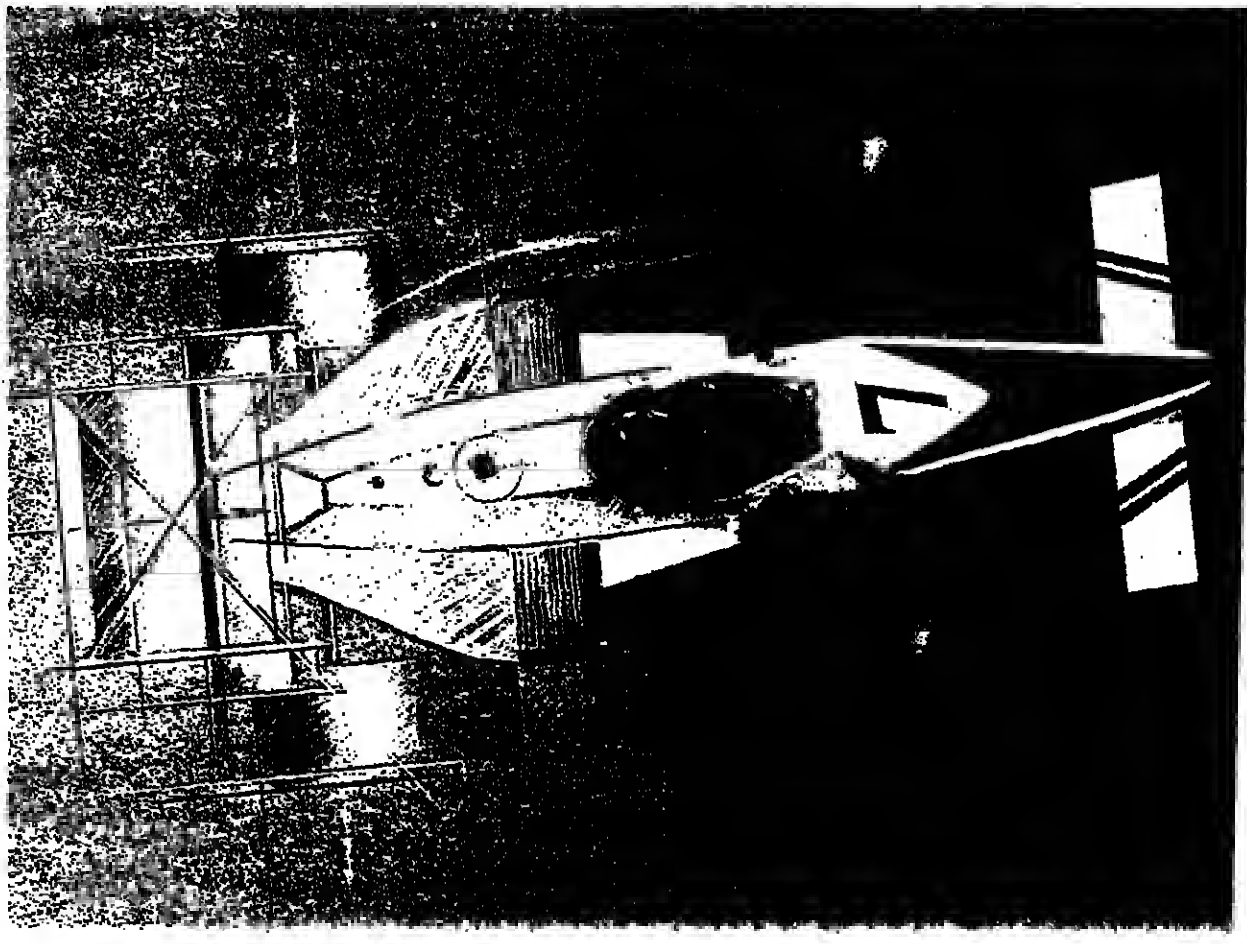
Denmark's government has reacted to the biker war with remarkable speed. A package of measures aimed at strengthening the hand of police investigators has won widespread support, and Parliament is expected to approve it soon. One measure would allow police to use part-time informers, a practice that is now banned here.

Enforcement of the country's strict gun laws has been sharply tightened in recent weeks. The police are under instructions to stop gang members on sight and search them for weapons.

The police have also raided two Bandidos clubhouses, confiscating handguns and explosives.

The Danish chapters of Hell's Angels and the Bandidos are thought to have no more than 60 full-fledged members each, along with a roughly equal number of hangers-on. Although the gangs in the United States are heavily involved in drug trafficking — outlaw motorcycle gangs control a large share of the market in methamphetamines — local authorities say that the Scandinavian chapters may not be criminal enterprises. But the police say many Scandinavian members are individually engaged in extortion, drug trafficking and other illicit activities.

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Greek President Heads to U.S.

ATHENS — President Constantine Stephanopoulos on Tuesday will be the first freely elected Greek head of state ever to visit the United States, a trip that is expected to cap a series of recent high level meetings between the two allies.

The last trip by a Greek head of state was in 1953, when King Paul went to Washington. The monarchy was abolished in a 1974 referendum.

Mr. Stephanopoulos will meet with President Bill Clinton, Vice President Al Gore, Secretary of State Warren M. Christopher and other officials on Thursday. He will hold brief discussions on Greece's problems with Turkey, the divided island of Cyprus and the economic role his country can play in the Balkans following the end of the war to the former Yugoslavia. (AP)

Protesters Fight German Police

BONN — Anti-nuclear activists sabotaged railroad lines and clashed with the police on Monday as Germany prepared for the arrival of a shipment of nuclear waste from France this week.

About 3,000 police officers and border guards fought hundreds of protesters overnight near a nuclear storage unit in northern Germany. The police detained 89 people after about 300 militants, some of them masked, attacked officers with stones and flares near the Gorbelen depot, 120 kilometers (75 miles) east of Hannover. (Reuters)

Calendar

European Union events scheduled for Tuesday:

BRUSSELS: Meeting of energy ministers.

BRUSSELS: The commissioner of relations with the Middle East, Manuel Marín, meets with Foreign Minister Sheikh Salem al Sabah of Kuwait.

BEIJING: The trade commissioner, Sir Leon Brittan, visits China. Sources: Agence Europe, AFP.

EU Meeting on Defense Policy

BIRMINGHAM, England — The prospect of the EU's running its own security operations will edge closer to reality Tuesday as talks that will bring the four neutral member states closer to military cooperation with the rest of the union.

Foreign and defense ministers of the 10-nation Western European Union — seen by some as a future defense arm of the EU — are due to endorse plans to increase the involvement of Austria, Finland, Ireland and Sweden in the organization's decision-making. (AFP)

INTERNATIONAL

Constitution Showdown Redivides South Africa

By Lynne Duke
Washington Post Service

JOHANNESBURG — Two days before Parliament is to vote on a final post-apartheid constitution, South Africa stood on the brink of constitutional crisis Monday as racial fissures threatened to thwart passage of the historic document.

Cyril Ramaphosa, chairman of the Constitutional Assembly, declared over the weekend that stalemate negotiations were in a "danger zone" that could trigger deadlock-breaking mechanisms, including a constitutional referendum. If the constitution failed on referendum, President Nelson Mandela would have to dissolve Parliament and call new general elections.

The final constitution set for a vote Wednesday is to take effect in 1999, etching in stone the broad principles of the interim constitution approved in 1993 to guide South Africa through its two-year-old transition from white minority rule called apartheid to democracy.

But members of Mr. Mandela's multiparty "government of national unity" are at loggerheads over a trio of constitutional provisions that cut to the core of how white minority rights and business interests are to be accommodated in the black-majority democracy.

Led by Frederik W. de Klerk, South Africa's last white minority president who now is in Mr. Mandela's cabinet, the National Party is fighting for a constitutional guarantee for single-language public schools, a guarantee that Mr. Mandela's African National Congress does not want to give.

The ANC, which holds a parliamentary majority, says the enshrinement of this single-medium-school guarantee would lead to a return of apartheid. An

ANC spokesman, Blade Nzimande, accused the National Party of "holding the country's constitution to ransom over a demand to return to apartheid and to preserve white Afrikaner privilege."

Two other issues deadlocked to a lesser extent are hinging, in part, on the outcome of the education debate. The ANC has refused to include in the constitution an employers' right to lock out workers during labor disputes, a clause that the Nationalists say must be included. Labor opposition to the lockout is intense and resulted last week in the first nationwide strike since the new democracy was formed.

The other deadlock concerns property rights: whether government should have the right to expropriate land in the interest of redistributing water and mineral resources. The ANC says yes; the Nationalists say no.

Negotiations on all these deadlocks continued Monday. The constitution must be passed by 10 A.M. Thursday, the deadline, by two-thirds of the 490 seats in the Constitutional Assembly, which includes both houses of Parliament. The ANC holds 312 seats and needs 15 more for the constitution to be approved. If the 99 Nationalists withhold their yes votes, the ANC would need the support of other smaller parties — a turn of events not guaranteed.

KwaZulu-Natal Vote Delayed

President Mandela's government postponed on Monday local government elections in the traditional Zulu kingdom because of chronic violence and logistical difficulties. The Associated Press reported from Cape Town.

The voting for town and rural councilors in KwaZulu-Natal Province would take place not later than June 30, instead of on May 29, as planned.



JAKARTA SCUFFLE — Students struggling Monday as police stop a protest over recent deaths of students in clashes with security forces.

Marines at U.S. Embassy Trade Fire With Liberians

MONROVIA, Liberia — Sustained gunfire broke out around the U.S. Embassy here Monday despite a promise by a key faction leader, Charles Taylor, that his forces would observe a unilateral cease-fire after a month of bloody battles in the Liberian capital.

The gunfire erupted shortly before the cease-fire, which was reported over national radio, was due to take effect. It rang out steadily for a half-hour and then broke down into sporadic shooting, as the U.S. Embassy here broadcast appeals to its staff to stay at home.

U.S. Marines guarding the embassy opened fire at Liberian gunmen who shot at them, the U.S. ambassador, William B. Milam, said.

He did not know whether there had been casualties.

"Some fire was directed at one of our emplacements and they did fire," Mr. Milam said. He warned that "people who shoot at us are taking a risk."

U.S. Marines killed three Liberian gunmen last week in an exchange of gunfire.

Fighters of Mr. Taylor's National Patriotic Front were seen during the shooting Monday, running across the several hundred meters separating the U.S. Embassy from the Mamba Point Hotel.

Mr. Taylor said he had ordered his followers to lay down their guns at noon.

But hundreds of heavily armed militiamen of the National Patriotic Front and allied ULIMO-K militia groups continued to pour into the city center to increase their strength around Barclay Training Center, a besieged military barracks at the center of the monthlong conflict. Several rocket-propelled grenades slammed into the barracks, and

small-arms fire was heard after 12 P.M. Mr. Taylor has refused to join other militia leaders and fellow members of the governing council at peace talks that are scheduled to begin Wednesday in Accra, Ghana.

He says his presence in Monrovia is necessary in an attempt to keep civil order. (AP, AFP)

Hutu Blamed For Massacre

Reuters

BUJUMBURA, Burundi — Burundi's Tutsi-dominated army changed tack Monday about a massacre last month in which 235 Hutu civilians were killed, and blamed Hutu rebels for the deaths.

"Despite what we said earlier, it now seems that there was an incident at Buhoro," said a defense ministry spokesman, Lieutenant Colonel Isidore Nibizi.

"Following a conflict between the military and the rebels, the rebels continued to use the local civilian population as a shield, and it was then that this event occurred," he said.

He did not say specifically whether soldiers had killed the civilians.

Earlier Monday, Colonel Nibizi denied that any incident occurred at Buhoro on April 26.

Officials with humanitarian aid organizations gave a detailed report Sunday of butchery, mostly of women and children, and blamed the soldiers.

CRIME: Trend Masks Rise in Teenager Violence

Continued from Page 1

He added, however, that because of the coming growth in the number of teenagers, "I don't think this pattern will last."

Alfred Blumstein, a criminologist at Carnegie Mellon University, noted that the report included an ominous hint of the projected increase in crime that may accompany the rising teenage population. Of the eight crimes measured by the FBI, only one, larceny, showed an increase in 1995, up 1 percent. Larceny includes minor thefts like shoplifting and bicycle stealing, which are typical first crimes committed by teenagers.

"This is the first visible sign of the anticipated new wave of crime by the future generation of kids," Mr. Blumstein said.

The report showed that crime was down in all regions of the country, with the largest declines in the Northeast, which had a 4 percent overall decrease and a 15 percent drop in homicides.

Among cities, those with a population of more than 1 million showed the largest decline in overall crime, averaging 6 percent. Overall crime in New York City dropped 14.5 percent, according to the FBI figures, and the city had one of the largest declines in homicides, to 1,170 in 1995 from 1,561 in 1994.

In Los Angeles, overall crime fell by 4 percent, in Detroit by 2 percent and in Dallas also by 2 percent, according to the figures.

Franklin Zimring, director of the Earl Warren Legal Institute at the University of California at Berkeley, said that the most significant statistic in the report was the 8 percent decrease nationwide in the number of homicides last year, the third year in a row murders have fallen.

There are 15,000 photographs, including a 1930 publicity picture inscribed "to my sweet Tami," who was her husband's mistress; 80 pieces of luggage, including steamer trunks and vanity cases; a red notebook labeled "Hollywood Address and Telephone"; and more than 2,500 recordings of that smoky voice singing such hits as "Lili Marlene" and "Falling in Love" and "Where Have All the Flowers Gone?"

Murder figures are important because homicide is by far the best measured crime, given the difficulty of hiding bodies, Mr. Zimring pointed out, and also because homicide is the crime that most alarms the public.

"The good news is that this decline in murders for three years is a trend," Mr. Zimring said. But he added that homicides had followed a cyclical pattern for the past 20 years, and that every time the rate drops for a few years it then rises again.

"A question many criminologists are asking is whether the current decline will prove as ephemeral as that in the early 1980s."

"When push comes to shove, nobody has an ability to explain the increases any better than the decreases,"

Mr. Zimring said. "Criminologists are like weathermen without a satellite. We can only tell you about yesterday's crime rates."

The new report is based on crimes reported to the police and forms part of the FBI's Uniform Crime Reporting Program. It measures eight serious crimes, including the violent crimes of murder, rape, robbery and assault, along with the property crimes of burglary, larceny, motor vehicle theft and arson.

Overall, these serious crimes decreased 2 percent nationwide in 1995 compared with 1994, the FBI found. Besides the 3 percent drop in homicides, robberies were down 7 percent, rapes declined 6 percent, and assaults dropped 3 percent.

MARLENE: Fans at the Grave

Continued from Page 1

colored silk teddy, of the quintessential temptress, a woman considered the apotheosis of sexual allure.

There are more than 300,000 documents, including letters from Yul Brynner, Noel Coward, Ronald Reagan, Orson Welles and the director Billy Wilder. ("Dearest Krant," Hemingway scribbled in a note dated April 15, 1955, "your letter arrived this morning.")

There are 15,000 photographs, including a 1930 publicity picture inscribed "to my sweet Tami," who was her husband's mistress; 80 pieces of luggage, including steamer trunks and vanity cases; a red notebook labeled "Hollywood Address and Telephone"; and more than 2,500 recordings of that smoky voice singing such hits as "Lili Marlene" and "Falling in Love" and "Where Have All the Flowers Gone?"

"We try to portray her not only as a film diva but also as a political personality," Mr. Sudendorf said. "And for Germany that's very important."

The political Dietrich can be seen in her "Certificate of Identification of Noncombatant," a U.S. Army document from World War II accrediting her to "the Army of North Africa and the Mediterranean."

She made more than 500 personal appearances entertaining American troops overseas, which she called "the only important thing I've ever done."

"By retreating from the world in her last years, she made certain that her myth endured," Mr. Sudendorf said. "She lived like a shadow in her apartment in Paris. No one got through to her. Occasionally, people would hear her voice but she had effectively vanished from the physical world."

PACKARD: Family Charity Is Thinking Big

Continued from Page 1

foundations like the Packard. That will leave many a group of heirs facing the kind of \$64,000 question that now confronts David and Lucile Packard's four children, Nancy, Julie, David Jr. and Susan: You have several billion dollars to fix the world with. What do you do with it?

Or as Julie Packard, who is executive director of the Monterey Bay Aquarium here, put it: "What needs doing? And then, what can we contribute to that list of things? What are we best positioned to contribute?"

The first thing to do, the Packards have decided, is to stop and think about it. So the foundation is embarking on several months of strategizing so open-ended that Colburn S. Wilbur, the foundation's executive director, was hesitant to predict what would emerge from it.

But both he and Julie Packard would go this far: What the foundation does will be

bigger than before, and more global. Analysts say the Packard Foundation is likely to focus even more on combating overpopulation, protecting the environment and fostering science education and research — and to keep reflecting the wide-ranging interests of the Packard family.

David Packard, the electronics manufacturer who launched Hewlett-Packard Co. with his close friend William Hewlett, had an engineer's interest in the sciences, as well as an outdoorsman's interest in conservation and a humanist's interest in education. His influence particularly propelled the foundation to give tens of millions of dollars to environmental groups and education in science and engineering.

Lucile Packard, who died in 1987, leaned more toward programs designed to help children, the sick and the poor.

The Packards gave more than \$100 million to Stanford University to improve pediatric care and to create the

Lucile Salter Packard Children's Hospital there.

Susan Packard Orr, a computer specialist who is president of the foundation, is seen by some as carrying on in her mother's tradition. She declined to be interviewed, adhering to the Packard tradition of keeping a low profile.

Nancy and Julie Packard's interest in marine biology, and David Packard's conviction that the ocean is the last great frontier on Earth, led to the Packard donations of \$180 million to the Monterey Bay Aquarium and associated research endeavors.

And David Packard Jr., who is involved in theater, is regarded by some as the driving force behind the foundation's interest in the arts and archaeology.

The foundation's grants, which totaled \$116 million last year, do not distill into a simple reflection of each family member's interests, however, and they hold some surprises as well, including a longstanding effort to encourage birth control around the world.

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INTERNATIONAL

Palestinians And Israelis Begin Talks For Final Pact

Reuters
TABA, Egypt — Israel and the Palestine Liberation Organization on Monday concluded opening talks on a final peace settlement, still far apart on key issues but united in a commitment to end decades of conflict.

Both sides, peace partners since signing an interim deal in 1993, issued a joint statement after the session, which was held under the shadow of May 29 Israeli elections that will put Prime Minister Shimon Peres's peace policy to the test.

The two sides reaffirmed their determination to put an end to decades of confrontation and to live in peaceful coexistence, mutual dignity and security," the statement said.

Pressing for the Deadline

Serge Schmemmann of The New York Times reported:

The meeting was timed to meet the deadline for the start of the final round of talks as set out in the Israeli-Palestinian agreements signed in September 1993 and September 1995. Those agreements declare that the final settlement must be reached by May 1996.

The leaders of each delegation combined ringing phrases about the historic significance of the moment with distinct outlines of the main battle lines.

Mahmoud Abbas, the head of the Palestinian team, who is better known as Abu Mazen, said it was "high time for Israel to remove any obstacle to the establishment of a Palestinian state next to Israel," with East Jerusalem as its capital.

Uri Savir, the director-general of the Foreign Ministry and Prime Minister Shimon Peres's senior negotiator with

Videotape Raises Doubts on Israel's Account of Shelling



LUNCH BREAK — President Jacques Chirac of France, left, welcoming King Hussein of Jordan to a lunch meeting at the Elysée Palace on Monday. The king was in Paris for a few hours to discuss the Middle East.

New Evidence on Targeting Shows Several Hits on Camp, UN Aide Says

The Associated Press
JERUSALEM — An amateur videotape of Israeli artillery shells hitting a United Nations base where at least 91 civilians were killed last month intensifies claims Monday that the base had been targeted deliberately.

The videotape, taken from a kilometer and a half away, shows a series of puffs of smoke emerging from the base, indicating where shells hit. The base, near the village of Qana in southern Lebanon, was sheltering Palestinian refugees at the time of the attack.

Israeli officials had maintained the base was hit mistakenly by one or two stray rounds. Major General Masan Vinal, Israel's deputy chief of staff, conceded Sunday that the camp could have been hit by as many as five shells. A preliminary report by UN investigators found the remains of 15 shells at the base.

"The importance of the tape is that it shows the shelling is not one or two rounds that overshoot, as we've been told for the past two weeks," said Timor Goksel, spokesman for the UN peace-keeping force in Lebanon. "but that it was a targeted shelling."

Mr. Goksel did not speculate on why the base might have been targeted. "It's up to the Israeli side to explain, I think," he told Sky Television.

"We made a mistake and we are terribly sorry," Prime Minister Shimon Peres said at a campaign stop. "We regret it." He added: "But, in my opinion, everything was done according to clear logic and in a responsible way. I am at peace with it."

Israelis Report Mapping Errors

The Israeli Army said that its investigation had found that mapping and measuring errors were behind the

shelling of the UN camp. The New York Times reported from Tel Aviv.

Artillery gunners were relying on incorrect maps and distance estimates when they fired at Hezbollah guerrillas attacking Israeli troops, senior army officers said.

Thrown on the defensive by a draft UN report suggesting that the base had been deliberately targeted after the guerrillas took shelter there, the Israeli officers asserted at a news conference Sunday that the shelling was an accident in the heat of battle. The final UN report is expected Tuesday.

The Israeli Army account said the April 18 incident began when an Israeli reconnaissance force spotting Hezbollah rocket launchers came under rocket and mortar fire that landed as close as 20 meters from the soldiers. Both the mortars and rockets were fired from areas near the UN base.

A reconnaissance drone, helicopter gunships and warplanes were sent to the area to identify the sources of fire and to silence them, but they could not operate because of low clouds.

Artillery was used instead, and two batteries fired more than 30 shells within minutes after Israeli radar identified the sources of fire, hitting the mortar site, which was nearer to the UN base, but missing the rocket launcher.

Israeli gunners were under orders not to fire any closer than 300 meters from UN positions, but two critical mapping errors caused them to overshoot and hit the base, the army said.

The location of the UN base was plotted about 100 meters farther than its actual site, it said, and measurements taken from a point designating the camp failed to take into account the area taken up by the base, which covered two hectares.

Chrétien Is Charged With Assault

Canadian Leader Faces Trial for Scuffle With Protester

Reuters
OTTAWA — Prime Minister Jean Chrétien of Canada, who grabbed a protester by the jaw during a public event in February, was charged Monday with assault, a court official said.

Judge Pierre Chevalier in Hull, Quebec, where the scuffle took place, set a court date of June 6. The charge carries a penalty of up to \$2,000 Canadian (\$1,500) and six months in prison.

The Canadian Press news agency quoted the provincial prosecutor, Georges Bédoin, as saying that the prime minister would not necessarily have to appear in person.

Kenneth Russell, an unemployed New Brunswick man who was not involved in the scuffle, brought the charges, and the demonstrator who confronted Mr. Chrétien,

Bill Clennett, said he supported the move, Canadian Press reported.

Mr. Clennett, who is from Quebec, said he lost a bridge and a crown when Mr. Chrétien grabbed him. He did not press charges himself but said he thought the authorities should charge the prime minister.

The image of an angry Mr. Chrétien pushing Mr. Clennett aside topped Canada's front pages and television broadcasts.

Mr. Chrétien joked about the event Saturday at a raucous annual dinner with the Canadian Parliamentary Press Gallery. He donned dark sunglasses and joked that he had thought the person in his way was John Nunziata, a rebel member of Parliament who had voted against a government budget bill. "So I took him out," Mr. Chrétien said.

GERMANY: Optimism on Unemployment Rate

Continued from Page 1

monetary union, said Klaus Friedrich, chief economist at Dresdner Bank AG in Frankfurt.

Hopes early this year that a consumer-fueled boom would ripple through the German economy have all but disappeared as second unemployment in the first quarter made Germans anxious over their jobs and reluctant to spend.

Exports, which tend to drive German economic recovery, should get a lift from the reversal of last year's rally by the Deutsche mark. A strong German currency raised the price of German exports abroad and crippled exporters' confidence, Mr. Tietmeyer said.

Lately, however, not only has the dollar recovered against the mark, but so have the currencies of Germany's European trading partners, the central banker said. Re-

ductions in two key interest rates also should provide stimulus, he said.

But not everyone is convinced that a recovery is automatic. Some think the economy, technically in recession after two consecutive quarters of contraction, could collapse into a downward spiral if business confidence continues to drop, deterring new investment and hiring.

"There is a considerable risk that the technical recession turns into an outright downturn as the result of the structural crisis," said Thomas Mayer, senior economist for Goldman Sachs in Frankfurt.

To prevent that, Chancellor Helmut Kohl must rescue business confidence by successfully pushing through his package of entitlement and spending cuts, Mr. Mayer said.

Opposition to Mr. Kohl's austerity plans flared again Monday, when the opposition

Social Democrats and a taxpayer advocacy group attacked Kohl's latest fiscal initiative: a tax on government retirement payments. Most German pensions go untaxed.

Finance Minister Theo Waigel, who is spearheading the assault on Germany's welfare state, argued for fairness, noting that civil servants are taxed on retirement payments, as are those who use the interest income from their life savings as private pensions.

Although that argument has economic merit, the poor timing of the weekend announcement was a public relations blunder, coinciding with new fears over rising pension contributions.

The plan faces more opposition on Tuesday, when public-sector wage negotiations continue, with unions vowing to block government plans for a two-year pay freeze, an important part of the Kohl package.

MALAYSIA: Growth Plan Targets High Tech

Continued from Page 1

of broad economic policies for the next five years.

The move into more capital-intensive methods is key to Malaysia's struggle to cope with labor shortages, which propelled a 27 percent wage increase in manufacturing from 1990 to 1994. The labor shortages have also pulled at least 650,000 foreign workers into Malaysia from such countries as Indonesia and Bangladesh, creating the potential for a social backlash against immigrants.

Malaysia is trying to steer its economy to what analysts refer to as a "soft landing," after gross domestic product grew 9.6 percent in 1995, sparking fears that inflation could spiral out of control.

The new plan says that in an attempt to cut a growing trade deficit, the government will announce incentives to

persuade companies to make components in Malaysia instead of importing them.

The plan's other projects already have been announced individually, including a "multimedia corridor" around Kuala Lumpur with improved communications to attract foreign companies.

Malaysia has also moved to liberalize its higher-education system by allowing foreign universities to set up branch campuses in the country and the Malaysian private sector to set up schools.

"Our aim in the new plan is to increase the skill of our own manpower," said Ali Abul Hassan Sulaiman, director-general of the government's Economic Planning Unit, which prepared the 743-page plan.

"Labor-intensive foreign and local industries will be discouraged, and the preference will be for new industries

using skilled labor," he said.

Economic growth over the past five years has surpassed predictions, averaging 8.7 percent a year. Malaysia posted a trade deficit last year of \$6.9 billion, but the government says much of that was caused by imports of equipment and materials used to build up manufacturing capacity.

"We expect to have a surplus by 2000," Mr. Ali said. Under the plan, the government will account for 162 billion ringgit (\$64.95 billion) of the projected spending, an increase of 38 percent from the previous five-year plan. Private investment is estimated at 385 billion ringgit, an increase of 86 percent.

"This poses a challenge to the financial sector to mobilize and allocate the requirements of private investment, especially for large infrastructure projects," the plan says. (AP, Bloomberg)

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Sanctions on Nigeria

Nigeria's military rulers seem to assume that their country's oil and other investment opportunities will give the United States and Europe pause about protesting the suppression of democracy and civil liberties in Nigeria. Regrettably, their strategy is working. Six months after Ken Saro-Wiwa and eight other minority-rights activists were hanged after a farcical trial, the Clinton administration says it is still consulting with other countries on long-promised sanctions. It hints at a decision next month, but there is no deadline, which suits Lagos fine.

The unseemly hesitation leaves Senator Nancy Kassebaum, Republican of Kansas, as Washington's conscience on Nigeria. Hearings are set for May 15 on her Nigeria Democracy Act, which has 22 co-sponsors. It would codify existing sanctions against Nigeria, freeze the assets of the military regime's leaders and, most potentially, prohibit new American investment there. Hearings can serve the double purpose of refocusing attention on Lagos and ventilating the arguments about a unilateral investment ban.

The trumped-up trial of the Ogoni activists last November is what Nigeria has learned to expect under its self-enthroned president, General Sani Abacha. A new World Bank report says that despite Nigeria's oil riches, half the population is sinking below the poverty line, and one of five children dies before turning 5. Dissenters risk jail or worse, as in the case of Moshoud

Abiola, the front-runner in an annulled 1993 election, who still awaits trial for protesting the suppression of democracy and civil liberties in Nigeria. Regrettably, their strategy is working. Six months after Ken Saro-Wiwa and eight other minority-rights activists were hanged after a farcical trial, the Clinton administration says it is still consulting with other countries on long-promised sanctions. It hints at a decision next month, but there is no deadline, which suits Lagos fine.

Last week the British Commonwealth, having suspended Nigeria's membership, joined in supporting sanctions already imposed by the United States, such as prohibiting arms sales to Nigeria or travel visas for leaders and their families. But these are annoyances, and the freezing of assets could be readily evaded. An oil embargo, however, is unlikely. What could truly hurt is a ban on new American investments in a country where Americans have already sunk some \$54 billion, mostly in the oil industry.

While European and Japanese businesses might benefit from a U.S. embargo, there are times when the defense of American principles should take precedence over the expansion of American commerce. Nigeria, like South Africa at an earlier time, is such a case.

International sanctions would be preferable, and Washington should press reluctant Europeans, notably the British, to cooperate. But if that effort fails, it should not hesitate to act alone. The world, especially the United States, should not condone the brutal policies of the Nigerian dictatorship.

—THE NEW YORK TIMES

Illegal Immigrants

Congress has ducked, for the time being, the difficult question of how many immigrants should be admitted to the United States each year, and which groups should have preferences for these coveted slots. These matters may be too ticklish for an election year. But politicians can't lose by clamping down on illegal immigrants, who have no lobby and few sympathizers. That is what the Senate did last week.

The measure is far from revolutionary. Essentially it beefs up federal efforts designed to make it more difficult for undocumented aliens to enter and work. There will be more border guards, more investigators and more Labor Department inspectors. Thousands of new beds will be made available in detention centers to hold aliens pending adjudication of status or deportation. An effort will be made to stem the counterfeiting of documents; sentences for crimes involving fraudulent documents and smuggling will be increased. A 14-mile (22.5-kilometer) triple fence will be constructed on the border near San Diego where the traffic in illegal immigrants is heaviest. Whether all this will substantially reduce the flow is yet to be seen, but none of these steps represents a new approach, and none should be controversial.

Objections have been raised about two provisions in both the House and

the Senate bills. The first would expand and make mandatory pilot programs already under way to test systems by which employers can determine work eligibility of job applicants. We do not share the fear that such programs present major civil liberties problems. Americans already have to produce Social Security cards to work. They are used to showing driver's licenses and other forms of photo IDs. And a simple 800-number verification system of the kind used to check credit card validity would be efficient for employers and effective in enforcing the law against those working in the country without valid immigration papers.

The second provision would make real the understanding that those who sponsor immigrants have a responsibility to keep them from becoming public charges. This would be done by combining the sponsor's and the immigrant's income in determining the latter's eligibility for certain welfare benefits. There is no injustice in that, only the enforcement of an obligation freely undertaken. Nothing in the Senate version of the bill should create any problems for the White House or for anyone who believes, as we do, that these laws must be effective if the better, more open features of the country's immigration policies are to be sustained.

—THE WASHINGTON POST

Stay in El Salvador

Since the end of its civil war four years ago, El Salvador has made impressive strides toward building a workable civil society. The United Nations mission to oversee the peace ended officially on April 30. But the peace accords have not been fully instituted, and El Salvador's new democratic structures are still wobbly. A small UN presence should be maintained through December to continue monitoring the peace agreements.

One issue that bears watching is the transfer of land. Inequitable land distribution was one of the main causes of the civil war. The peace accords included a mechanism to transfer land to disenfranchised farmers, and 80 to 90 percent of these transfers are complete. But the most difficult issues remain, and continued attention is needed.

Since the war ended, some refugees have returned from Honduras and Nicaragua and have established entirely new towns of 3,000 to 4,000 inhabitants in the former guerrilla provinces of Chalatenango and Morazan. Since they were established after the war, these communities are not directly covered under the peace accords. Property transfers in these towns are particularly sensitive and subject to dispute.

—THE NEW YORK TIMES

Other Comment

Trying to Preserve Hanoi

Hanoi's city fathers [are] trying to accommodate economic development without having their beautiful capital degenerate into another smoggy, clogged Bangkok. Capitalism alone will not save Hanoi's heritage, as anyone looking around Asia's cities knows all too well. But without capitalism it's hard to see how it might be done at all.

—Far Eastern Economic Review (Hong Kong)

Less Free and Still Humiliated in the Gaza Strip

By Anthony Lewis

GAZA — Dr. Eyad R. Sarraj, a psychiatrist trained at the Maudsley Hospital in London, is director of the Gaza Community Mental Health Program. During the Israeli occupation he developed ways of treating children traumatized in the intifada. He was then, and is now, a campaigner for human rights.

I talked with him about the condition of Palestinians in the Gaza Strip since

'We need leaders on both sides strong enough to establish real peace, among dignified human beings.'

the Palestinian Authority took control. It was a remarkable conversation.

"People are intimidated," Dr. Sarraj said. "There is an overwhelming sense of fear. The regime is corrupt, dictatorial, oppressive."

"I say this with sadness, but during the Israeli occupation I was 100 times freer. I wrote in the Israeli press and the Arab press. Today I am boycotted by our press and television."

"There are so many arbitrary arrests now, without charge, without reason. The authority has nine security organizations, each with its own detention center. And people are systematically tortured."

(Elsewhere I was told about another doctor, who expressed shock at the condition of a Hamas prisoner brought to a Gaza Strip hospital after being tortured. The doctor was arrested and held for six days.)

Dr. Sarraj was arrested himself last December after he told a visiting European press organization that the Gaza human rights situation was "terrible." The Israeli newspaper Ha'aretz reported his remarks, and the reporter called the Palestinian attorney general for comment. Dr. Sarraj was questioned at the criminal investigation bureau and released after 10 hours. Yet he still wants to take the risk of speaking out.

"Under the occupation we felt brute force," he said. "But we never felt the humiliation we do today, because we are oppressed by our own authority."

He was also critical of the terms of peace negotiated so far, which leave Israel in control of access to the Gaza Strip. After the Hamas suicide bomb-

ings the borders were closed. Virtually no one can leave the densely populated strip for any reason.

"People feel the political process did not give them anything," he said. "It turned Gaza and the West Bank into a new kind of prison. President Arafat is humiliated; his people are humiliated. We don't feel proud of our authority."

"The economic factors increase the tension. People are sometimes thrown back on survival instincts. They are apathetic when you talk about democracy or human rights. What concerns them is bread."

An outsider visiting the Gaza Strip for the first time in four years sees signs of physical improvement. Some streets are being cleaned up and paved, with money from foreign donations. But there is no sign of the kind of investment that would be needed to provide a functioning economy for the Gaza Strip's nearly 1 million people.

The mood "is not a healthy one," Dr. Sarraj said. "People feel alienated, depressed, hopeless. And hopelessness is the worst emotion you can have."

"I am a man for peace with Israel. I was for it long before Arafat. But peace for me needs dignity. Nothing can qualify as peace unless Israelis and Palestinians can live a dignified life together. The kind of peace we have

now is a total psychological surrender. It is far more damaging to the self than fighting a war."

I asked him whether he did not think things would ease if Prime Minister Shimon Peres won the Israeli elections on May 29.

"Peres does not give me the feeling he is for peace as I define it," he said. "I don't expect somebody who talks about peace to kill so many people in Lebanon. How can he be for peace when his policy is to humiliate the Palestinians? Not even to give them freedom of movement?"

Were it Israel's right to fear suicide bombers, I asked, and to press for measures against Hamas? "That is a genuine fear," Dr. Sarraj said. "But because of the miserable environment we live in, I expect there will be a queue to be suicide bombers. It is from the pool of frustration and humiliation that you get new cadres of terrorists."

The message is still: We need leaders on both sides strong enough to establish real peace, among dignified human beings.

"But I have a deep hope that it will get better. The reason is that we, Palestinians and Israelis, are destined to live together. We have to make it work. We have no other option."

The New York Times

The Trouble With So-Called Nuclear Weapons-Free Zones

By Brahma Chellaney

NEW DELHI — Another

"Nuclear Weapons-Free Zone" was unveiled last month when African states signed the Treaty of Pelindaba. Four other regions of the world have also been declared nuclear-free: Southeast Asia in 1995, the South Pacific in 1985, Latin America and the Caribbean in 1967, and Antarctica in 1951.

The African pact means that much of the Southern Hemisphere is now covered by agreements outlawing nuclear testing and the threat or use of nuclear force. But how genuinely can that hemisphere be considered nuclear-free, and how secure from nuclear dangers are countries belonging to a nuclear weapons-free zone?

One clue comes from American and British insistence on exempting the Indian Ocean territory of Diego Garcia from Africa's zone, and Russia's consequent reservations about the treaty. Diego Garcia, a base for American and British military forces, plays a key role in American and British nuclear deterrence.

Nuclear weapons-free zones have been accepted by the five states that have declared their possession of nuclear weapons — the United States, Britain, Russia, France and China — only when they do not conflict with their strategic interests.

These interests have prompted the five nuclear powers to support such zones in some regions, including the Indian subcontinent, but not in others,

such as Eastern Europe. Even when the five powers have supported a nuclear weapons-free zone, one or more of these powers has held up its entry into effect.

The Treaty of Rarotonga took effect in 1985 during the Cold War and was intended to prevent the South Pacific from becoming a theater for superpower rivalries. Yet it was embraced only late this past March by the United States, Britain and France, long after its original purpose had been lost.

The three powers, which control territories in the South Pacific, signed the treaty's protocols only after a final round of French nuclear tests in the

There is not a single major economy without a nuclear arsenal or umbrella.

region were carried out, with British and American logistical and other assistance, despite objections from many Asia-Pacific nations.

The objectives of the Southeast Asian Nuclear Weapons-Free Zone are being frustrated by opposition from all five nuclear powers, which resent either the nature of the security assurances

sought from them or the inclusion of continental shelves and offshore exclusive economic zones, or both.

Unless the nuclear powers accept the Southeast Asian treaty, the 10-nation zone will lack reciprocal obligations and carry little weight.

Nuclear weapons-free zones have been established by regional states largely in response to slow progress on global disarmament and the wide recognition that nuclear weapons will remain key instruments of power to the foreseeable future.

The geopolitical value of such weapons is evident from the fact that there is not a single major economy today without the protection of a nuclear arsenal or umbrella. The giant U.S. nuclear umbrella alone shields much of Western Europe, Australia, Canada, Japan and South Korea.

The countries being drawn to such zones are signatories to the 1968 nonproliferation treaty and can thus have no ambitions to develop nuclear weapons. By accepting a nuclear weapons-free zone, they are in effect providing legal commitments not to develop, stock or test any nuclear explosive device.

Nations joining a zone are seeking to insulate themselves from the dangers of nuclear warfare. But the main danger is that such zones can lull their member states into a mistaken sense of nuclear security.

Nuclear weapons-free zones can provide comfort from the harsh nuclear realities, but not from the perils of nuclear war.

Nuclear weapons respect no national or zonal frontiers. In an age in which nuclear weapons can be fired from anywhere into any region, the concept of a nuclear weapons-free zone makes little military sense.

If it happens to be carried by the wind, the radioactive fallout from a nuclear exchange will

Nuclear weapons-free zones can be a palliative but not an antidote to nuclear dangers.

spill over into another region, even if that region is a nuclear weapons-free zone.

The greatest allure of such a zone is the set of reciprocal commitments provided by the nuclear powers in a legally binding instrument. These commitments include security assurances not to use or threaten to use nuclear arms against regional parties, and no placement of such weapons within the zone.

However, as the Southeast Asia treaty shows, getting unconditional security assurances from the nuclear powers is like smuggling up to a group of robbing lions.

The Western nuclear states and Russia have balked at giving unconditional security assurances as required by the treaty's protocol, which bans the threat or use of nuclear weapons in any circumstances against regional parties or other targets within the zone.

These powers, which have urged the International Court of Justice in The Hague not to declare the threat or use of nuclear weapons unlawful, favor qualified language.

The term "nuclear weapons-free" is really a misnomer. Submarines armed with nuclear weapons, the core constituents of a modern military force, stay under water for days, scoffing at the ban imposed by nuclear weapons-free zones on stationing of nuclear arms in the area.

Moreover, such zones do not restrict the movement of nuclear weapons by air or sea. If there is anything "free" about a nuclear weapons-free zone, it is that nuclear-armed ships, submarines and aircraft can move about freely.

Although no such zone incorporates mechanisms to monitor compliance by the nuclear

powers with their commitments, these states have objected to the inclusion of continental shelves and exclusive economic zones in the Southeast Asian zone. This is because they do not want a vexatious political precedent to be set that could lead to regional demands for verification.

The nuclear powers, eager to boost their disarmament credentials so as to discourage other countries from developing nuclear weapons, have always been ready to accept a nuclear weapons-free zone so long as it does not significantly constrain the movement and deployment of nuclear arms.

No international disarmament treaty has yet been concluded that seeks to materially alter the situation in which there are only five "authorized" nuclear powers. The nonproliferation treaty and the proposed treaty to ban nuclear weapons testing are also designed to preserve the status quo.

The 1993 Chemical Weapons Convention was concluded after two decades of negotiations only when such weapons came to be widely viewed as a "poor nation's nuclear deterrent."

Nuclear weapons-free zones can serve as a palliative but not as the antidote to nuclear dangers.

The rules of such a zone, like those of any other disarmament treaty, can operate only in peacetime. Under international law, the "rules of warfare" take over when disarmament agreements fail in their mission to prevent war. A nuclear weapons-free zone cannot remain valid in a nuclear conflict, which would negate the nonproliferation treaty and other peacetime treaties.

Real international security can come only when the legitimacy of all weapons of mass destruction is removed and their elimination is completed. Today, the most deadly of such weapons remain an integral part of the military doctrines and strategies of the five nuclear powers.

The writer, professor of security studies at the Center for Policy Research, a think tank in New Delhi, contributed this comment to the International Herald Tribune.

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The Director Is Overreaching

By William Safire

WASHINGTON —

Whom the political gods would destroy, they first make power-grabbing directors of Central Intelligence. I saw it happen with my friend Bill Casey, a patriot of intellect and energy who thought he could dominate the Reagan administration as an activist policymaker, and whose hubris hurt himself and his country.

It's happening again with John Deutch, the former Massachusetts Institute of Technology provost who now bestrides the National Security Council like a colossus.

Like only Mr. Casey before him, Mr. Deutch demanded a

Speculation is rife about American support for an Iraqi uprising to topple Saddam.

place at the president's cabinet table. Whether as host at elegant black-tie dinner parties at Blair House for foreign ambassadors, or leading an entourage of 37 on a tour of Africa, Bill Clinton's director of central intelligence makes clear that he is the man of greatest influence in the Clinton administration.

True, magazine's Douglas Walker, in a devastating exposé last week, said Mr. Deutch was "becoming the most powerful spymaster Washington has ever seen," who "ostensibly refrains from advocating policy with the president."

That qualifier "ostensibly" is on target. Mr. Deutch's colleagues have heard him boast, on more than one occasion, "I am a policymaker."

You ask, what's wrong with that? Why shouldn't President Clinton get advice on what to do from a brilliant, take-charge

ary; his subservient CIA top staff running the agency but still beholden to him; and with Strobe Talbott of State, his squishy partner, guaranteeing Oval Office access as national security adviser.

To bring off that political coup, Mr. Deutch needs a dramatic success. Speculation is rife in Washington that a presidential "finding" has been signed authorizing a covert action, duly reported secretly to Congress, to support an indigenous Iraqi uprising to topple Saddam Hussein. If true, it may be Mr. Clinton's "Oscar surprise"; if untrue, and if Saddam is secretly building mass-destruction weapons, what has the CIA been waiting for?

Mr. Deutch is savvy enough to employ tactical retreats. When Republicans saw politics in "Deutchland" — seeing red in his agency's airy brush-off of a need for missile defense — he agreed to a re-evaluation to head off an investigation.

When the FBI wanted to treat economic espionage as criminal, thus compromising CIA sources, Mr. Deutch caved in, knowing that his agency is vulnerable to an aggressive FBI mole hunt to find the Russian spy who protected Aldrich Ames.

Nobody doubts his smarts. Is he smart enough to anticipate, like a professional intelligence officer, the fall he is riding for? Much depends on his reaction to the unflattering Time article, today's gentle pop, and others likely to follow. His remaining well-wishers hope that the criticism will help him restrain his ego and discipline his desire to dominate.

But if past is sadly prelude, Mr. Deutch will see, blow his stack, hunt for leakers, and vow to get even — and, like Bill Casey, come a cropper.

The New York Times

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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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OPINION/LETTERS

A Grown-Up Gingrich Returns as a Healer

By Maureen Dowd

WASHINGTON — I recognized the speaker, even though he did not have a snake draped around his neck.

He wanted to sit on his patio in the Capitol, overlooking the Washington Monument, but the spring day did not disguise his autumnal quality. He's no longer the ebullient revolutionary who described himself as a 4-year-old in search of a cookie.

The man who boasted in the flush of the '94 elections that his revolution could change America's moral character has been tempered. "We're not used to being the majority," concedes Newt Gingrich, in shirtsleeves and green dinosaur tie.

Two smart, prolix, podgy, undisciplined baby boomers went into battle on the budget. One came out looking adult. Mr. Gingrich had a tantrum about his treatment on Air Force One and lost control of his rabid freshmen. ("Who do these guys think they are?" he railed to a friend. "You," the reply came back.)

He went into the budget debate with a cocky attitude, but no fall-back plan. "He defined victory as having Clinton cry uncle," said a pal.

Mr. Gingrich says the Democrats were out to get him, recalling a 1994 New Republic column by Robert Wright, who exhorted: "I say we beat the noxious little butterball to a pulp."

Fearing he was losing his revolution, he dropped out of sight last December. "You have to

pull out to re-enter, to get a sense of vision and strategies," he says. Now his House troops, frustrated by the Democrats doing a fandango on their party, want him to re-engage.

"It's the only time in my entire career people have asked me to speak out," he said with a dry smile. "My grandmother must be looking down from heaven in total disbelief. She always told me that I talked too much. It's nice to be wanted."

The old bomb-thrower is returning as healer, talking about melding his "anxiety-ridden" factions into a team.

"We can win if we just go out in a calm, methodical way and make clear the choice," he says.

Before the speaker had a chance to play healer, the junior senator from New York let loose, mocking "the mythical Contract With America" and telling the New York radio host Don Imus that Mr. Gingrich had misread the '94 elections and cut too much on education and the environment.

Al D'Amato wanted to separate Dole/Gingrich, which the White House pronounces as one word. Democrats learned, with Dukakis/Horton, the value of tying a scary symbol — a black criminal, in Willie Horton's case — to a lackluster candidate.

Mr. Gingrich was none too pleased to have Senator D'Amato pass judgment on him, but he stayed calm.

"He should be careful on Imus



"You think this is bad - you should see what he's done to his own house!"

— he got in a lot of trouble last time," Mr. Gingrich digs, alluding to the senator's ill-advised imitation of Judge Lance Ito. "He voted for everything he's now complaining about."

Of the Dole-Clinton matchup, Mr. Gingrich says: "I'm not sure that dignity loses to garulosity."

The speaker, who knows the perils of garulosity, sounds as if he's taking the older man as a model. "Bob Dole has been through a lot and he learned when he was disciplined and focused and endured, he did fine."

Is he impressed with the way Dick Morris has refashioned President Bill Clinton's image as mature centrist?

"Laurence Olivier plays many roles," he said of the president. "If you stipulate somebody as a good actor, why should it surprise you when they act well? Is somebody who's always sincere ever sincere?"

He said he had refused to hire Mr. Morris because he felt the consultant was willing to run false ads and believed in "power at any cost."

It sounds disingenuous, given the Republican record on untruth in advertising, but he continues: "The Dick Morris model is essentially P.T. Barnum. Dick Morris and his client are clever enough to go from sucker to sucker until they win the election. Our model, which perfectly

fits the Dole reality, is Abraham Lincoln."

Over at The Weekly Standard, Bill Kristol was depressed about "Newt's team stuff."

"The point isn't for him to come back and be a nice guy," he says. "He has to lead the advance into enemy territory."

I asked the most unpopular politician in America if he still dreams of the presidency.

"Who knows?" he says, starting out into the drizzly day.

"You get eight years of the Dole presidency and by then I may be too tired and I may want to go play with the dinosaurs and animals."

The New York Times.

Olympic Torch Lightens The Dark Mood in L.A.

By Lou Cannon

LOS ANGELES — The Olympic torch stirred old memories and new dreams last week as it began its cross-country odyssey from Los Angeles to the Olympic Games in Atlanta.

In Los Angeles the torch parade was cheered through neighborhoods that were torn by riots and racial discord four years ago.

Many Southern Californians nostalgically look back on the

with the theme "It's Morning Again in America."

That the Olympics returned to Los Angeles was largely the doing of a Texas sharecropper's son, who as a teenager remembered peeking through the fence of the coliseum to watch the 1932 games. He was Tom Bradley, who after a first career as a police officer served as mayor of Los Angeles for 20 years.

Mr. Bradley believed the Olympics were a unifying force that would radiate a positive image of Los Angeles to the world. Over objections that the Olympics would be a financial disaster and a target for terrorism, Mr. Bradley persuaded a divided city council to bid for the 1984 games. The games proceeded peacefully and provided 74,000 temporary jobs and \$90 million for amateur athletics.

After he retired in 1993, the usually reserved Mr. Bradley told me emotionally that he considered the 1984 Olympics one of the highlights of his life.

The Olympic Games prompt such sentiments, and not just among politicians.

"This is emotionally overwhelming," said Gordon Mills of Boulder City, Nevada, as he waited last Wednesday in Las Vegas for torchbearers to arrive from Kingman, Arizona, on the next leg of the 84-day journey.

The next day the Olympic flame returned to California on its zigzag progression to Atlanta. I went to see it as it passed through Santa Barbara, where Jeff Farrell was one of the torchbearers.

Mr. Farrell was a swimmer who had an emergency appendectomy six days before the 1960 Olympic trials in Detroit. Although not supposed to swim for three weeks, he made the team and won two gold medals in the Rome Olympics.

Inspirational stories such as his are what make the Olympics the most special athletic competition in the world.

And they are special, too, for the cities that play host to them. In Los Angeles, the nation's most diverse work force is leading an economic comeback that has rekindled the dream of 1984. The return of the Olympic flame was a reminder of that.

Don't miss the parade if it comes to your hometown.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Communism's Killers

Regarding "Who Did Away With Communism?" (Opinion, April 15) and "How the 'Iron Lady' Helped the Bell to Toll for Communism" (Opinion, April 23) by Stephen S. Rosenfeld:

Mr. Rosenfeld's April 15 article accords responsibility for the West's triumph to a small band of Americans: Richard Ferle, Jean Kirkpatrick, Max Kampelman, Elliott Abrams.

Has Mr. Rosenfeld not heard of Pope John Paul II and Lech Walesa, the main protagonists in the fall of communism in the Soviet Union and Eastern Europe? Or of the rumblings and insurrections in Poland, East Berlin, Prague and Budapest that preceded the fall of this evil empire?

R. A. OHL

Versailles, France.

So Margaret Thatcher told Mr. Rosenfeld that "Thatcher's First

Rule" is "prepare for the unexpected" and that "preparedness" explains how Britain came to have the navy to take back the Falklands.

In fact, she was at the time busy selling off as much of the Royal Navy as buyers could be found for. If the Argentines had waited four months before attacking, the crucial aircraft carrier *Illustrious* would have already been gone to the Australians. She was even withdrawing the British Antarctic

Survey ship, *Enterprise*, from the South Atlantic, which, not surprisingly, the Argentines interpreted as the end of British interest in the area.

Preparedness indeed! Her luck was that Caspar Weinberger won the argument with Jean Kirkpatrick over which side to back, and we got to know what the Argentines were doing when the war itself was being fought.

WAYLAND KENNEDY
London.

Fact, Not 'Belief'

Regarding "Abbe Rejoins Holocaust Battle" (April 30):

By writing that the author of a book denied "the commonly accepted belief" that 6 million Jews were killed during World War II, you give a semblance of credence to a monstrous distortion of history. The Holocaust is not a "belief" but a well-documented fact.

HOWARD J. BLANK

Brussels.

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Style

The Art and Craft of William Morris: Not Just for the Rich

By Suzy Menkes
International Herald Tribune

LONDON — It is the visual equivalent of the audience at a well-loved musical going in humming the tunes. The museum public is admiring images familiar from a thousand greeting cards or the wallpaper of countless country clubs: entwined leaves, unfurling flowers, crouched floppy bunnies and birds pecking at strawberries.

One hundred years after his death, William Morris, the Victorian designer and radical socialist, has achieved his dearest wish — that his work should be not just for the rich, but for everybody.

"I do not want art for a few, any more than education for a few," he claimed, even though he admitted that his talents had served the "swinish luxury of the rich."

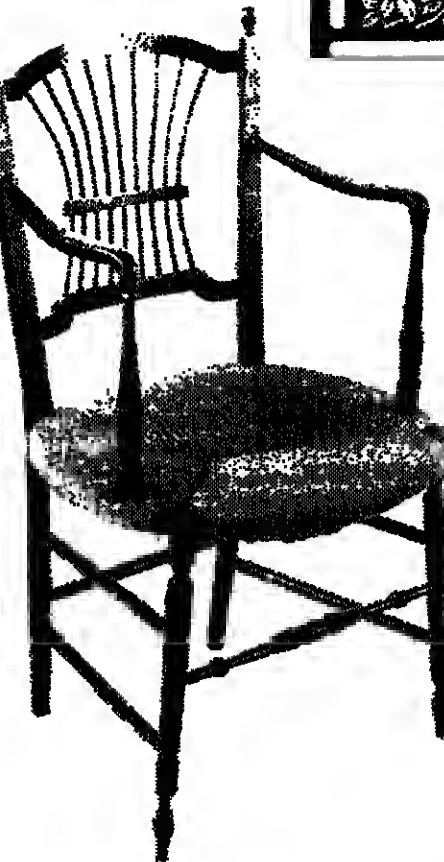
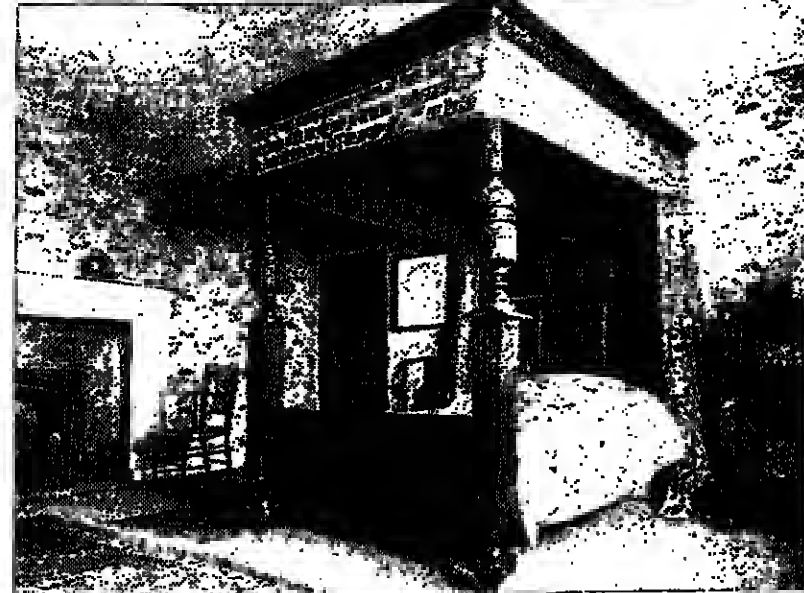
The centennial exhibition "William Morris 1834-1896" at London's Victoria & Albert Museum (until Sept. 1) evaluates the work of the polymath designer. His furniture, embroideries, stained glass, tiles and tapestries were all part of the Arts and Crafts movement that pitted a group of like-minded designers against the Industrial Revolution.

But the soul of William Morris lies not just in the mythical, medieval world he created, but in the merchandise he has spawned. At the end of the show is a shop containing an enormous array of products from postcards and gift wraps, through pottery mugs, tapestry kits, enameled jewelry, silk scarves and paperweights to decorating paints and hand-made rugs in the "greenery valley" colors of the turn of the last century.

Just the usual museum gift shop stuff? No, that's not the half of it, according to Ken Mannering, who heads V&A Enterprises (the commercial arm of the museum). Morris is a one-man export drive, accounting for £30 million to £35 million of the £80 million retail sales of V&A branded goods. There are 200 Morris fabric designs on offer, including fashion fabrics in Japan, where the stylized flower prints are so popular they generate £20 million sales. Worldwide licenses of Morris designs add up to retail sales of £100 million. The prolific designer, who wore himself out at age 62 by "having done more work than most 10 men," according to his physician, is a commercial triumph.

Why? Why should William Morris designs hold such a universal appeal that suburban folk sleep between flowery sheets, business men knot Morris neckties and avant-garde fashion designer Alexander McQueen re-creates the same flower-trace as rust stains on cloth?

"It was a real honest period, when the average worker turned in his work and got respect due to him as a stonemason, carpenter or for tapestry," says McQueen to



Clockwise from top left: "Strawberry thief" pattern on furnishing textile; hand-painted tiles; stained-glass panel "The Prince"; William Morris's bedroom at Kelmscott Manor; Alexander McQueen's Morris-inspired print; photograph of William Morris; painting of Jane Burden by Dante Gabriel Rossetti; rush-seated "Rossetti" armchair; ornamental letter, and ties.

explain his attraction to the Arts and Crafts era.

Perhaps people recognize in Morris a design integrity that was the base of the commercial company he and his friends set up in 1861. Authenticity characterized his work from the sturdy oak furniture to the naturalistic flower-and-leaf prints that Morris managed to master in so many media from printing to weaving to embroidery.

Morris and fellow artisans created their total vision for Red House, his first home in the English countryside, where the oak staircase (Morris had trained with a neo-

Gothic architect), the medieval-style wall paintings by his close friend Edward Burne-Jones and the dense and rambling patterns made a temple to art and craft.

At its epicenter was the sensuous figure of his wife, Jane Burden, the "dark pearl" whose soulful eyes, fleshy lips and bush of hair became the central image of Pre-Raphaelite art. In 1858, Morris presented the bumbly young woman as "La Belle Iselt" in his only painting. His friend Dante Gabriel Rossetti painted Jane

obsessively, making her his muse and then his mistress.

In Jane, Morris fashioned a soulful, enigmatic womanly romance — an image that still resonates in modern times. Henry James described her as "a tall, lean woman in a dress of some dead purple stuff... a thin pale face, a pair of strange sad, deep, dark Swinburnian eyes and with great thick black oblique brows."

This is the stuff of courtly love and chivalry in the medieval world that Morris romanticized as a golden era of craft compared with the "state of complete degradation" in

which he found "all the minor arts" in his own time.

The cabinets painted with gothic figures, the church-pew style chairs and the epic Pre-Raphaelite tapestries all celebrate a distant historical past. In his love of country-garden nature, his desire to put humanity back into manufacturing and his fight against the modernization or destruction of old buildings, Morris was a pioneer of back-to-nature ideals and a forerunner of modern conservationists.

Critics of Morris — deploring his cute "strawberry thief" birds and cloned

flowers — see his historicism as anathema to modernism. Morris never created anything without referring to the past. Even his books with their gothic script and elaborate decoration were based on illuminated manuscripts. His enduring popularity seems to bolster the belief that ordinary folk are more comfortable with tradition than revolution.

The designer can be accused of fostering a central tenet of British design: that the past is ripe for plunder and that its inspiration is more seductive than the future.

"The leading passion of my life has been and is a

hatred of modern civilization," claimed Morris.

Yet he was revolutionary, both in his fiery socialist principles and in his contribution to Art Nouveau — literally new art. In "William Morris," made by the people and for the people, a joy to the maker and the user.

He may not have envisaged copies of his designs hand-blocked on T-shirts nor free ways of furnishing fabric stretching around the globe. But the success of his designs with the public is his response to the question he posed in a letter in 1883: "What business have we with art unless we can all share it?"

BOOKS

PRIVILEGED CONVERSATION

By Evan Hunter. 326 pages. \$22.95. Warner Books.

Reviewed by Patrick Anderson

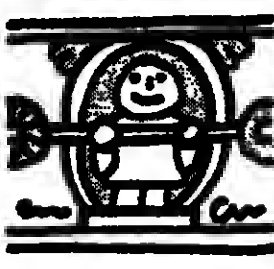
I MUST confess that I am old enough to remember the stir that Evan Hunter's first novel, "The Blackboard Jungle," caused in 1954 with its revelation of young hoodlums so depraved that they would smash their sensitive teacher's beloved jazz records.

Since that memorable debut, Hunter, along with his alter ego Ed McBain, has produced 80 more novels, including the popular 87th Precinct series. For some reason, which probably has to do with my resentment of anyone so prolific, I recall having read only one of the 80, although at various times I have devoured

WHAT THEY'RE READING

•Rodney Rice, master and instructor of the kwan do, is reading "New Product Success Stories: Lessons From Leading Innovators" by Robert J. Thomas.

It describes how products like Slimfast and Kleenex made it. I'm learning how to market the health-fitness machines I've invented. (Kimberly Martineau, IHT)



tor has a wife he dearly loves, but she and their daughters are spending the summer at Martha's Vineyard, and Kate's combination of youth, beauty and sexual enthusiasm swiftly clouds his mind.

We see the doctor meeting with various of his patients, all of whom are in the grip of sexual obsessions of one sort or another, and we soon realize that he has become as obsessed as they are, although he prefers to think of his condition as love. The reader also perceives, although the smitten doctor does not, that passionate, red-haired Kate is herself a little mad. This affair, clearly, can lead to oo good.

As if Chapman were not in enough trouble, the two become a threesome when a stalker begins sending Kate threatening letters. It would be wrong to reveal more of

the plot's unfolding. Suffice to say that the suspense never lets up and that this is not a book for those who seek happy endings.

Two things struck me about the novel. The first is that Hunter possesses an admirable, old-fashioned virtue: He can write. His tale is told with style and economy. In a world of clunky popular fiction, crisp prose should not go unremarked.

The other striking fact about "Privileged Conversation" is its exceedingly dark view of the human condition. A casual affair between two attractive people swiftly spirals into a panorama of deceit,

rape, incest, murder and madness. Chapman, a decent enough fellow, is quick to betray and lie to his wife. Kate's family background proves to have been a chamber of horrors. One of Chapman's colleagues is having an affair with a 19-year-old patient. The stalker is evil, mad and lethal. Even Chapman's wife proves not to be the saint she at first appears.

Elmore Leonard's crime novels have always struck me as extremely sophisticated comedies. Lawrence Sanders, in his great early novels, was having fun with his larger-than-life, cartoonish criminals. John D. MacDon-

ald's immortal Travis McGee was a knight-errant who always triumphed over evil. But Hunter isn't writing comedy and, in this novel at least, it is evil that triumphs. Virtually everyone in the book is weak at best and monstrous at worst, and no one escapes unscathed. It is not a pretty view of the world, but it is one I find persuasive, and I intend to pick up some of Hunter's earlier novels and give them a try. Forty years of neglect is long enough.

Patrick Anderson, whose most recent book is "Electing Jimmy Carter," wrote this for The Washington Post.

CHESS

By Robert Byrne

LOEK Van Wely beat Pavel Blatny in Round 5 in the New York Open tournament.

The Budapest Defense is a gambit of the black e pawn with 2...e5, the idea being to lure White into such an anti-positional move as 4 f4?, when 3...Bc5 yields Black attacking chances. After the sensible 4 Bf4 Nc6 5 Nf3 Bb4, many players, including Anatoli Karpov, are content with the tiny superiority that comes from the quiet 6 Nbd2 Qe7 7 e3 Ng5 8 Ne5 Ne5 9

Be2. Van Wely, however, chose the sharp 6 Nc3, which looks toward maintaining White's material advantage after 6...Bc3 7 Be7 8 Qd5 f6 9 e4 Nf6 10 Qd3 at the expense of the doubled isolated c pawns.

On 24 Rd1, Blatny could not play the ambitious 24...Ng4? because 25 Na1 Be6 26 Ba7 puts Black further down in material.

Van Wely's 25 Rd4 threatened 26 c4!, but after 25...Bd5 26 Bd5 Nd5 27 Bc1, the king bishop — so important to the defense of the white king — was gone.

If Van Wely was to demonstrate any superiority at all, he had to go through with the capture, 28 Na7, but this took his knight far from the kingside.

After 28...c5 29 Rd6, Blatny would have gotten a lost game with 29...Qc7 30 Qb3 Kh8 31 Qb6. But he drove another white piece away from its king with 29...Nc4 30 Ra6 and mobilized for a mating attack with 30...Ng5.

After 31...Ng4, the threat was 32...Qh5 33 h4 Rf4! 34 gh Qh4, forcing mate. But what neither player saw was

that on 32 h3, Blatny had the powerful blow with 32...Nge3! at his disposal. Then 33 f6 Nc3 34 Qa2 Qa2 35 Ra2 Nf1 36 Kf1 g5 wins for Black.

After 32...g5?, Van Wely produced the nice resource, 33 Nc6! gf 34 Ra7 Qg6 35 Qg6 hg 36 hg fg 37 Ne7 Kh7 38 Ne5 Kh8 39 Ng3, yielding him a winning two-pawns-ahead endgame.

Blatny's giving up a piece with 43...Nf3 was absolute desperation, but he played on until Move 51 before giving up.

BUDAPEST DEFENSE			
White	Black	White	Black
1 e4	1...e5	21 f4	21...g5
2 e5	2...Nc6	22 f5	22...h4
3 Nf3	3...Nf6	23 f6	23...g4
4 f4?	4...Bc5	24 f7	24...h3
5 Nf3	5...Bb4	25 f8	25...h2
6 Bf4	6...Nc6	26 f9	26...h1
7 Nbd2	7...Qe7	27 f10	27...h0
8 e3	8...Ng5	28 f11	28...h-1
9 Ne5	9...Ne5	29 f12	29...h-2
10 Qd3	10...Nf6	30 f13	30...h-3
11 Qd5	11...Nf6	31 f14	31...h-4
12 Qd3	12...Nf6	32 f15	32...h-5
13 Qd5	13...Nf6	33 f16	33...h-6
14 Qd3	14...Nf6	34 f17	34...h-7
15 Qd5	15...Nf6	35 f18	35...h-8
16 Qd3	16...Nf6	36 f19	36...h-9
17 Qd5	17...Nf6	37 f20	37...h-10
18 Qd3	18...Nf6	38 f21	38...h-11
19 Qd5	19...Nf6	39 f22	39...h-12
20 Qd3	20...Nf6	40 f23	40...h-13
21 f4	21...g5	41 f24	41...h-14
22 f5	22...h4	42 f25	42...h-15
23 f6	23...g4	43 f26	43...h-16
24 f7	24...h3	44 f27	44...h-17
25 f8	25...h2	45 f28	45...h-18
26 f9	26...h1	46 f29	46...h-19
27 f10	27...h0	47 f30	47...h-20
28 f11	28...h-1	48 f31	48...h-21
29 f12	29...h-2	49 f32	49...h-22
30 f13	30...h-3	50 f33	50...h-23
31 f14	31...h-4	51 f34	51...h-24
32 f15	32...h-5	52 f35	52...h-25
33 f16	33...h-6	53 f36	53...h-26
34 f17	34...h-7	54 f37	54...h-27
35 f18	35...h-8	55 f38	55...h-28
36 f19	36...h-9	56 f39	56...h-29
37 f20	37...h-10	57 f40	57...h-30
38 f21	38...h-11	58 f41	58...h-31
39 f22	39...h-12	59 f42	59...h-32
40 f23	40...h-13	60 f43	60...h-33
41 f24	41...h-14	61 f44	61...h-34
42 f25	42...h-15	62 f45	62...h-35
43 f26	43...h-16	63 f46	63...h-36
44 f27	44...h-17	64 f47	64...h-37
45 f28	45...h-18	65 f48	65...h-38
46 f29	46...h-19	66 f49	66...h-39
47 f30	47...h-20	67 f50	67...h-40
48 f31	48...h-21	68 f51	68...h-41
49 f32	49...h-22	69 f52	69...h-42
50 f33	50...h-23	70 f53	70...h-43
51 f34	51...h-24	71 f54	71...h-44
52 f35	52...h-25	72 f55	72...h-45
53 f36	53...h-26	73 f56	73...h-46
54 f37	54...h-27	74 f57	74...h-47
55 f38	55...h-28	75 f58	75...h-48
56 f39	56...h-29	76 f59	76...h-49
57 f40	57...h-30	77 f60	77...h-50
58 f41	58...h-31	78 f61	78...h-51
59 f42	59...h-32	79 f62	79...h-52
60 f43	60...h-33	80 f63	80...h-53
61 f44	61...h-34	81 f64	81...h-54
62 f45	62...h-35	82 f65	82...h-55
63 f46	63...h-36	83 f66	83...h-56
64 f47	64...h-37	84 f67	84...h-57
65 f48	65...h-38	85 f68	85...h-58
66 f49	66...h-39	86 f69	86...h-59
67 f50	67...h-40	87 f70	87...h-60
68 f51	68...h-41	88 f71	88...h-61
69 f52	69...h-42	89 f72	89...h-62
70 f53	70...h-43	90 f73	90...h-63
71 f54	71...h-44	91 f74	91...h-64
72 f55	72...h-45	92 f75	92...h-65
73 f56	73...h-46	93 f76	93...h-66
74 f57	74...h-47	94 f77	94...h-67
75 f58	75...h-48	95 f78	95...h-68
76 f59	76...h-49	96 f79	96...h-69
77 f60	77...h-50	97 f80	97...h-70
78 f61	78...h-51	98 f81	98...h-71
79 f62	79...h-52	99 f82	99...h-72
80 f63	80...h-53	100 f83	100...h-73

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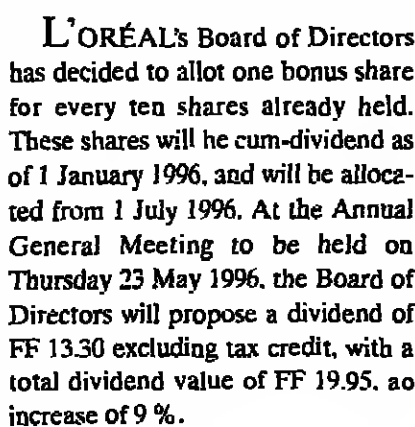
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Hilversum

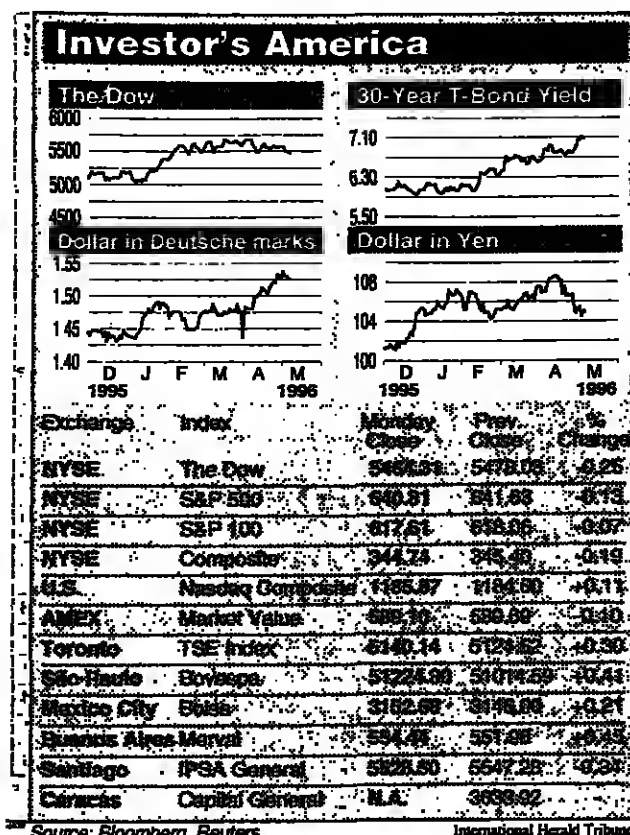
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THE AMERICAS



Very briefly:

- Berkshire Hathaway Inc. authorized a new class of stock that would become the second most expensive issue on the New York Stock Exchange. The so-called Baby Berkshires are expected to be issued Wednesday and to trade a day later at about \$1,000 a share, Berkshire's chairman, Warren Buffett said. Berkshire Hathaway shares, the most expensive Big Board issue, closed Monday at \$33,800.
- General Public Utilities Corp. and another U.S. electric utility are expected to announce Tuesday a joint bid for the British regional electric company Midlands Electricity PLC, bankers said. GPU's partner probably will be Houston Industries Inc. or CInergy Corp., the sources said. Midlands had been the target of a takeover bid by another British utility, PowerGen PLC, but the government blocked the deal last month, citing antitrust concerns.
- News Corp. has offered to pay cable-system operators about \$10 a subscriber for carrying its 24-hour news network, a source knowledgeable about the deal said. Cable operators usually pay program providers, not the other way around.

Weekend Box Office

LOS ANGELES — "The Craft" dominated the U.S. box office over the weekend, with a gross of \$7 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. The Craft	(Columbia)	\$7 million			
2. Truth About Cats and Dogs	(Columbia)	\$4.1 million			
3. The Quest	(Paramount)	\$3.1 million			
4. The Great White Hope	(Columbia)	\$2.7 million			
5. Last Dance	(United Artists)	\$2.5 million			
6. The Bridge	(Disney)	\$2.4 million			
7. The Fugitive	(Disney)	\$2.3 million			
8. James and the Giant Peach	(Disney)	\$2.2 million			
9. The Fugitive	(Disney)	\$2.2 million			
10. Mulholland Drive	(MGM)	\$2.2 million			

AMEX

Monday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.

Stock	Sales	High	Low	Latest	Chg.
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1
Alcoa	254	25.4	25.4	25.4	+0.1

Airwave Bids Total \$10 Billion

WASHINGTON — A free-wheeling federal auction of airwave licenses for the next generation of cellular phones ended Monday after small companies had plunked down a record \$10.2 billion in bids.

The sale, which ended after the 184th round, catapulted an obscure company with backers in South Korea, NextWave Personal Communications Inc., into the ranks of the biggest next-generation wireless phone companies, analysts said.

NextWave, based in San Diego, bid \$4.2 billion and won advanced cellular licenses known as personal communications services, or PCS, in 56 markets including New York and Los Angeles. NextWave's aggressive bidding helped push some of the auction's prices more than twice as high as those of previous federal PCS auctions.

The company plans to build a wireless network that sells wholesale capacity to other companies for resale. Other big winners, also with South Korean or other Asian companies' backing, were DCR Communications Inc. of Washington, the No. 2 bidder with licenses for 43 markets at \$1.4 billion; GWI PCS Inc. of Dallas, with 14 licenses for \$1.1 billion; and BDP PCS Inc. of Fort Lauderdale, with 17 licenses at \$870 million.

Besides paying the government for the licenses, analysts said, NextWave will have to pay \$3 billion to \$4 billion to build its system.

Getting Rich the Hollywood Way

By Geraldine Fabrikant
New York Times Service

NEW YORK — Being fired as chief executive of Viacom Inc. might prove to be one of the most profitable events of Frank J. Biondi Jr.'s career.

Not only did he get an undisclosed settlement for leaving Viacom, but Seagram Co., which hired him away to become chief executive of its MCA division, has given him a five-year contract that is valued at \$76 million by Graef Crystal, an independent compensation consultant.

Provisions of his employment contract were filed last week with the Securities and Exchange Commission, which requires such filings when executives are named to a company's board. Mr. Biondi was named to Seagram's board.

Under terms of his contract, Mr. Biondi will receive a salary of \$1 million a year over five years. He will also receive deferred compensation of \$300,000 a year in that period. By keeping his base salary at \$1 million, the company is able to treat the salary as tax-deductible; a base salary of more than \$1 million is not tax-deductible.

He will also get a bonus of \$4.5 million a year that could go as high as \$9 million depending on inflation and the performance of MCA, the parent company of the studio Universal Pictures and Universal Television, and a one-time grant of 1 million 10-year options to buy Seagram stock at the market value as of April 23—\$33.75 a share. Crystal valued those options at roughly \$10.5 million.

Depending on Seagram's stock performance, another array of options was given the opportunity to buy could prove far more or far less valuable.

Mr. Biondi earned an average of \$12 million a year between 1992 and 1994. His 1995 salary is not yet known because the company's proxy statement has not been filed.

Dollar Gains on Deutsche Mark but Slips Against the Yen

NEW YORK — The dollar rose against the Deutsche mark and the peseta Monday as Spain's new prime minister, José María Aznar, and his government took office.

But the U.S. currency fell against the Japanese yen in a listless session as traders in London and Tokyo stayed home for national holidays. Traders said they expected the dollar to make a gradual move higher this week against other major currencies.

While the dollar closed at 127.325 pesetas, compared with 127.250 pesetas at the close Friday, most trading was between the Deutsche mark and the Swiss franc and the yen, rather than the dollar, analysts said. Traders were using those cross rates to bet on lower interest rates in Europe and an eventual increase in Japanese interest rates.

"There seems to be more interest than usual in the cross rates, particularly against the yen," said Michael Faust, portfolio manager at Bahl & Biehl & Kaiser in San Mateo, California.

The effect of traders selling marks and francs for yen was to give the dollar an indirect boost against the European currencies and a nudge lower against the yen.

U. S. STOCK MARKET DIARY

Compiled by Our Staff From Dispatches

Index	High	Low	Close	Chg.
Dow Jones	5488.51	5488.51	5488.51	+11.33
S&P 500	440.51	440.51	440.51	+0.13
S&P 400	417.41	417.41	417.41	+0.09
Composite	244.74	244.74	244.74	+0.19
AMEX	688.10	688.10	688.10	+0.10
Toronto	6140.14	6140.14	6140.14	+10.30
San Paulo	5122.00	5122.00	5122.00	+10.44
London	2512.00	2512.00	2512.00	+0.01
Frankfurt	2512.00	2512.00	2512.00	+0.01
Paris	2512.00	2512.00	2512.00	+0.01
Madrid	2512.00	2512.00	2512.00	+0.01
Amsterdam	2512.00	2512.00	2512.00	+0.01
Brussels	2512.00	2512.00	2512.00	+0.01
Stockholm	2512.00	2512.00	2512.00	+0.01
Copenhagen	2512.00	2512.00	2512.00	+0.01
Oslo	2512.00	2512.00	2512.00	+0.01

INTERNATIONAL FUTURES

High Low Close Chg. Opt

Index	High	Low	Close	Chg.	Opt
Orange Juice (NY)	12.00	12.00	12.00	+0.01	30
Orange Juice (NY)	12.00	12.00	12.00	+0.01	30
Orange Juice (NY)	12.00	12.00	12.00	+0.01	30
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Investors Pulling Back As Confidence Fades

NEW YORK — Stocks fell Monday as concerns over earnings reports and higher interest rates pushed investors to other markets.

The Dow Jones industrial average finished down 13.72 points, at 5,488.51, with declining issues leading the way by a 6-to-5 ratio on the Big Board.

"People are questioning earnings sustainability as we get to the second half of the year," said Edward Riley, chief investment officer at Bank of Boston.

Other analysts attributed the stock market's softness to the apparent stabilization of long-term interest rates above 7 percent, which increases corporate borrowing costs and makes bonds a more attractive investment.

The bond market staged its first rally in more than a week as investors there bet that the recent rise in rates would prevent the economy from overheating and accelerating inflation.

The benchmark 30-year Treasury bond finished up 20/32, at 82 28/32, lowering its yield to 7.06 percent from 7.11 percent Friday.

"We're at a critical juncture, and I'd lean toward the market rallying from here," said Patrick Retzer of Heartland US Advisors. "I'm cautiously optimistic."

As a result of the rally in bonds and downturn in stocks, several investment advisers called for real-estate holdings.

Smith Barney Inc. recommended

U.S. STOCKS

ing up 74, at 23, as the maker of television sets continued to benefit from its association with the Internet. It said last week that it would make high-speed cable modems for delivering data between a personal computer and a television.

America Online shares closed up 5 1/4, at 68 1/4, amid expectations that its third-quarter earnings, to be released Wednesday, would be higher than had been predicted. The on-line service also benefited from a report that it planned to team up with a Japanese company to offer Internet access service in Japan by year-end.

Apple Computer shares rose 1 1/4, to 25 1/4, on news of an agreement with International Business Machines to license Apple's Macintosh operating system. But IBM shares fell 1 1/4, to 107.

Forest Laboratories shares closed down 3 1/4, at 41 1/4. The drug company said its fourth-quarter earnings fell more than forecast.

Valuet shares fell 2 1/4, to 17 1/4, after an analyst reduced his rating on the budget airline.

(Bloomberg, AP, Reuters)

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EUROPE

Russia Banker Warns Of Liquidity Crunch

MOSCOW — Russia's banking system is on the verge of a new liquidity crisis as uncertainty about the June presidential election is spurring depositors to withdraw their funds, a prominent Russian banker said Monday.

Vladimir Vinogradov, president of Inkombank, one of Russia's largest financial institutions, said that although banks' assets remained steady in the first quarter of 1996, Russian households started withdrawing funds, and companies were drawing down their balances to pay overdue wages before the election.

"All this leads to a possibility that banking-system liquidity may fall sharply and cause other crises," Mr. Vinogradov said. "We cannot help being worried."

He added that banking-sector losses in the first quarter rose more than a third and exceeded total bank profits.

There are about 2,250 active banks in Russia, of which Mr. Vinogradov said 500 to 1,000 were on the verge of bankruptcy.

The government has urged companies to pay wage arrears to ease social tensions before the election. As a result, Mr. Vinogradov said, "their bank balances, which are banks' real resources for making credits and investing, fell significantly."

Mr. Vinogradov's comments came as official figures showed Russian inflation edging down to 2.2 percent in April from 2.8 percent in March.

The State Statistics Committee said consumer prices had risen 12.4 percent so far this year and that inflation for all of 1996 would be 34

percent if current trends continued, compared with 131 percent in 1995. Economists say prospects for controlling inflation remain good for the first half of this year because the government has maintained a tough monetary policy that includes a slow depreciation of the ruble.

A \$40 billion rescheduling with the Paris Club of debtors last month also increased confidence in the economy. The International Monetary Fund has linked a three-year, \$10.1 billion loan accord that was reached this year to Russia's ability to meet tough targets on inflation and budget deficits. The accord is a challenge to President Boris N. Yeltsin to keep fighting inflation ahead of the election, in which the Communist candidate, Gennady Zyuganov, currently is favored.

Separately, Deputy Prime Minister Vladimir Kladovnikov said Russia planned to introduce a flexible fluctuation range for the ruble against the dollar but said it would depend on inflation and gold reserves, the interfax news agency reported.

(Reuters, Knight-Ridder, AFP)

Electoral Chill on Telecoms

Russia's minister of communications said foreign investment in the country's telecommunications industry was being held back by the prospect of a Communist victory in the presidential election June 16, Reuters reported.

"The leadership of the Communist Party says nothing specific" about the safety of foreigners' assets in Russia, Vladimir Bulgak said. "They only say, 'We will consider.' We cannot get a guarantee of the security of investment."

Chirac Hints at Cuts In Taxes Next Year

Move to Depend on Trimming Spending

PARIS — President Jacques Chirac, acknowledging that many were disappointed by the pace of economic reforms in his first year in office, hinted Monday that he might cut taxes in 1997 if his government could achieve drastic cuts in public spending.

"I know that for many French people the hoped-for change is coming too slowly," Mr. Chirac wrote in the daily *Le Monde*. "Today the objective is clear — to go further in reducing public spending, for this is the only way to reduce taxes from 1997, without making deficits bigger."

Mr. Chirac, 63, once nicknamed "Bulldozer" because of his reputation for getting things done, took office last year

pledging more jobs and hinting at quick tax cuts. But he rapidly switched to austerity, adding more than 100 billion francs (\$19.3 billion) in taxes and making deficit reduction his top priority. Unemployment, at almost 12 percent, is higher than a year ago.

Mr. Chirac said the tax increases had been necessary to get public finances under control, but he said they had taken statutory payments to an "unbearable" level.

Tax reform is an "absolute necessity" to restore balance to the economy, he said.

So far this year, Paris has pledged to spend 6.3 billion francs more than was envisioned in its 1996 budget, according to a preliminary report published Monday. (Reuters, AFP)

Telecom Workers Keep Status

PARIS — France Telecom will be allowed to continue to hire employees as civil servants, and employees will be offered 10 percent of the company's shares when they are floated at the end of this year, the government said Monday.

All staff "will be able to become shareholders and participate in the results from the expansion of the business," Francois Fillon, the minister of post, telecommunications and space, said in an editorial published in *Le Monde*.

A draft document published by Mr. Fillon's ministry put the proportion of capital earmarked for employees at 10 percent.

The government is to retain a 51 percent stake in France Telecom after it becomes a listed company. Mr. Fillon's comments on the state-owned telephone company came as the French Parliament prepared to discuss Tuesday a bill aimed at opening the country's telecommunications market to competition. (AFP, Bloomberg)

Pretax Profit Unchanged At Hafslund

OSLO — Hafslund Nycomed A/S

said Monday its first-quarter pretax profit was unchanged from a year earlier, at 456 million kroner (\$69.4 million), as lower interest payments helped offset a decline in sales and operating profit in all its divisions.

The pharmaceuticals and energy concern's results fell short of analysts' forecasts of pretax profit of 490 million kroner. Sales fell 3.3 percent, to 2.36 billion kroner.

Both sales and operating profit before research and development costs fell in all three of Hafslund Nycomed's divisions — Nycomed Imaging, Nycomed Pharma and Hafslund Energy.

The company attributed the declines to a significant reduction in production of electrical power in Norway because of "extremely low" water levels in the Glomma river, as well as to "increased price pressure in the contract-agent market in the United States and weaker sales development and price controls for pharmaceuticals in Europe."

Hafslund Nycomed said power production might remain depressed to the next few months because low snow levels in the mountains will mean further water shortages.

One bright spot was the combined sales of the X-ray contrast agents Omnipaque, Iopaque and Visipaque, which rose 17 percent in Europe and other markets outside the United States.

The company's board has suggested demerging Hafslund and Nycomed to give the separate energy and drug companies greater flexibility should they want to enter into alliances with other companies.

That proposal followed a failed plan to merge the drug operations of Hafslund Nycomed and Ivax Corp. of the United States, a plan scrapped in December after Hafslund Nycomed failed to win shareholder approval.

The demerger plan is expected to be approved at the company's annual meeting Monday, with the separate listing of Hafslund and Nycomed shares proposed to begin the next day. The company's shares closed at 190 kroner, down 4. (Bloomberg, Reuters)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2500	3000	2100
2400	2900	2000
2300	2800	1900
2200	2700	1800
2100	2600	1700
2000	2500	1600
1900	2400	1500
1800	2300	1400
1700	2200	1300
1600	2100	1200
1500	2000	1100
1400	1900	1000
1300	1800	900
1200	1700	800
1100	1600	700
1000	1500	600
900	1400	500
800	1300	400
700	1200	300
600	1100	200
500	1000	100
400	900	0
300	800	-100
200	700	-200
100	600	-300
0	500	-400
-100	400	-500
-200	300	-600
-300	200	-700
-400	100	-800
-500	0	-900
-600	-100	-1000
-700	-200	-1100
-800	-300	-1200
-900	-400	-1300
-1000	-500	-1400
-1100	-600	-1500
-1200	-700	-1600
-1300	-800	-1700
-1400	-900	-1800
-1500	-1000	-1900
-1600	-1100	-2000
-1700	-1200	-2100
-1800	-1300	-2200
-1900	-1400	-2300
-2000	-1500	-2400
-2100	-1600	-2500
-2200	-1700	-2600
-2300	-1800	-2700
-2400	-1900	-2800
-2500	-2000	-2900
-2600	-2100	-3000
-2700	-2200	-3100
-2800	-2300	-3200
-2900	-2400	-3300
-3000	-2500	-3400
-3100	-2600	-3500
-3200	-2700	-3600
-3300	-2800	-3700
-3400	-2900	-3800
-3500	-3000	-3900
-3600	-3100	-4000
-3700	-3200	-4100
-3800	-3300	-4200
-3900	-3400	-4300
-4000	-3500	-4400
-4100	-3600	-4500
-4200	-3700	-4600
-4300	-3800	-4700
-4400	-3900	-4800
-4500	-4000	-4900
-4600	-4100	-5000
-4700	-4200	-5100
-4800	-4300	-5200
-4900	-4400	-5300
-5000	-4500	-5400
-5100	-4600	-5500
-5200	-4700	-5600
-5300	-4800	-5700
-5400	-4900	-5800
-5500	-5000	-5900
-5600	-5100	-6000
-5700	-5200	-6100
-5800	-5300	-6200
-5900	-5400	-6300
-6000	-5500	-6400
-6100	-5600	-6500
-6200	-5700	-6600
-6300	-5800	-6700
-6400	-5900	-6800
-6500	-6000	-6900
-6600	-6100	-7000
-6700	-6200	-7100
-6800	-6300	-7200
-6900	-6400	-7300
-7000	-6500	-7400
-7100	-6600	-7500
-7200	-6700	-7600
-7300	-6800	-7700
-7400	-6900	-7800
-7500	-7000	-7900
-7600	-7100	-8000
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-7800	-7300	-8200
-7900	-7400	-8300
-8000	-7500	-8400
-8100	-7600	-8500
-8200	-7700	-8600
-8300	-7800	-8700
-8400	-7900	-8800
-8500	-8000	-8900
-8600	-8100	-9000
-8700	-8200	-9100
-8800	-8300	-9200
-8900	-8400	-9300
-9000	-8500	-9400
-9100	-8600	-9500
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-9300	-8800	-9700
-9400	-8900	-9800
-9500	-9000	-9900
-9600	-9100	-10000
-9700	-9200	-10100
-9800	-9300	-10200
-9900	-9400	-10300
-10000	-9500	-10400
-10100	-9600	-10500
-10200	-9700	-10600
-10300	-9800	-10700
-10400	-9900	-10800
-10500	-10000	-10900
-10600	-10100	-11000
-10700	-10200	-11100
-10800	-10300	-11200
-10900	-10400	-11300
-11000	-10500	-11400
-11100	-10600	-11500
-11200	-10700	-11600
-11300	-10800	-11700
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-20800	-20300	-21200
-20900	-20400	-21300
-21000	-20500	-21400
-21100	-20600	-21500
-21200	-20700	-21600
-21300	-20800	-21700
-21400	-20900	-21800
-21500	-21000	-21900
-21600	-21100	-22000
-21700	-21200	-22100
-21800	-21300	-22200
-21900	-21400	-22300
-22000	-21500	-22400
-22100	-21600	-22500
-22200	-21700	-22600
-22300	-21800	-22700
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-22500	-22000	-22900
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-23400	-22900	-23800
-23500	-23000	-23900
-23600	-23100	-24000
-23700	-23200	-24100
-23800	-23300	-24200
-23900	-23400	-24300
-24000	-23500	-24400
-24100	-23600	-2450

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

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12 Month High Low Stock	Div	Yld	PE	52 High	52 Low	Latest Crs
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19 Month High Low Stock	Div	Yld	PE	12m High	Low	Last	Chg
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Monday's 4 p.m. Close
(Continued)

[illegible][illegible]

Sl. No.	Particulars	Amount	Total
1	Salaries and Wages	1000000	1000000
2	Gratuity	500000	500000
3	Provident Fund	200000	200000
4	Medical Expenses	100000	100000
5	Travel Expenses	50000	50000
6	Office Expenses	100000	100000
7	Depreciation	100000	100000
8	Interest on Loans	50000	50000
9	Income Tax	100000	100000
10	Gift Tax	50000	50000
11	Capital Gains Tax	100000	100000
12	Corporate Tax	100000	100000
13	Dividend Tax	50000	50000
14	Stamp Duty	100000	100000
15	Other Taxes	50000	50000
16	Provision for Contingencies	100000	100000
17	Reserve for Depreciation	100000	100000
18	Reserve for Contingencies	100000	100000
19	Reserve for Depreciation	100000	100000
20	Reserve for Contingencies	100000	100000
21	Reserve for Depreciation	100000	100000
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25	Reserve for Depreciation	100000	100000
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31	Reserve for Depreciation	100000	100000
32	Reserve for Contingencies	100000	100000
33	Reserve for Depreciation	100000	100000
34	Reserve for Contingencies	100000	100000
35	Reserve for Depreciation	100000	100000
36	Reserve for Contingencies	100000	100000
37	Reserve for Depreciation	100000	100000
38	Reserve for Contingencies	100000	100000
39	Reserve for Depreciation	100000	100000
40	Reserve for Contingencies	100000	100000
41	Reserve for Depreciation	100000	100000
42	Reserve for Contingencies	100000	100000
43	Reserve for Depreciation	100000	100000
44	Reserve for Contingencies	100000	100000
45	Reserve for Depreciation	100000	100000
46	Reserve for Contingencies	100000	100000
47	Reserve for Depreciation	100000	100000
48	Reserve for Contingencies	100000	100000
49	Reserve for Depreciation	100000	100000
50	Reserve for Contingencies	100000	100000
51	Reserve for Depreciation	100000	100000
52	Reserve for Contingencies	100000	100000
53	Reserve for Depreciation	100000	100000
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58	Reserve for Contingencies	100000	100000
59	Reserve for Depreciation	100000	100000
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63	Reserve for Depreciation	100000	100000
64	Reserve for Contingencies	100000	100000
65	Reserve for Depreciation	100000	100000
66	Reserve for Contingencies	100000	100000
67	Reserve for Depreciation	100000	100000
68	Reserve for Contingencies	100000	100000
69	Reserve for Depreciation	100000	100000
70	Reserve for Contingencies	100000	100000
71	Reserve for Depreciation	100000	100000
72	Reserve for Contingencies	100000	100000
73	Reserve for Depreciation	100000	100000
74	Reserve for Contingencies	100000	100000
75	Reserve for Depreciation	100000	100000
76	Reserve for Contingencies	100000	100000
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81	Reserve for Depreciation	100000	100000
82	Reserve for Contingencies	100000	100000
83	Reserve for Depreciation	100000	100000
84	Reserve for Contingencies	100000	100000
85	Reserve for Depreciation	100000	100000
86	Reserve for Contingencies	100000	100000
87	Reserve for Depreciation	100000	100000
88	Reserve for Contingencies	100000	100000
89	Reserve for Depreciation	100000	100000
90	Reserve for Contingencies	100000	100000
91	Reserve for Depreciation	100000	100000
92	Reserve for Contingencies	100000	100000
93	Reserve for Depreciation	100000	100000
94	Reserve for Contingencies	100000	100000
95	Reserve for Depreciation	100000	100000
96	Reserve for Contingencies	100000	100000
97	Reserve for Depreciation	100000	100000
98	Reserve for Contingencies	100000	100000
99	Reserve for Depreciation	100000	100000
100	Reserve for Contingencies	100000	100000

[illegible][illegible][illegible]

Try the Mousetrap Angle?

When It Comes to Cheese, China Is a Tough Sell

out there who are going to be able to digest it and probably like it."

Such a move could help Hong Kong Telecom's ventures with the ministry to build mobile-phone and optical-fiber networks in China. "China has protected one industry more than any other, and that

So even if Chinese adults hate cheese, Mr. Buscher says, "There's a whole generation of dairy-eating kids

"No one thought it would sell," he said, "the Chinese people didn't like the color and thought the bubbles would give them gas." Last year, Coca-Cola Co. sold 187 million cases to the gas-fearing Chinese.

South Korean Carmakers to Feel the Pain as the Yen Weakens

"By doing so, we can improve our brand name," he said. "Low brand recognition was another factor hampering our sales in overseas markets."

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FRANCE (zone C) on FFI - TVA 20.6%
GO: 3.54 FOD: 2.18
SCSP: 5.31 SCSP: 5.14

UK, zone B on LA - TVA 17.5% (incl 6%)
GO: 0.500 FOD: 0.321

ALLEMAGNE (zone B) DM - TVA 15%
GO: 1.02 FOD: 0.52 (zone B)
SCSP: 1.43 SCSP: 1.25

BELGIUM on FFI - TVA 21%
GO: 20.39 FOD: 0.05
SCSP: 31.40 SCSP: 29.50

HOLLAND (zone 2) NLGA - TVA 17.5%
GO: 1.185

LUXEMBOURG on LUFR - TVA 15%
AU 04/05/98
GO: 76.36 FOD: 103.02 SCSP: 102.85

ESPAGNE on PTASH - TVA 16%
AU 04/05/98
GO: 76.36 FOD: 103.02 SCSP: 102.85

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EGYPT



Stable investments in Egypt's oil and energy sectors are powering new development, notably in the country's increasingly privatized tourism industry.

NEW INCENTIVES POINT THE WAY TO MORE GROWTH

Continuing reform and aid packages go hand in hand as Egypt's new government tackles the economy with a fresh sense of purpose.

Egypt is now into the third phase of its reform program. Starting in the early 1980s, \$50 billion has been spent on infrastructural modernization, which carries on apace. Stabilization has brought about the requisite financial discipline. If Egypt's long-term security depends on a population with rising living standards, however, its economy must begin to grow again.

Diplomats, aid managers and entrepreneurs are encouraged by what they have seen of Egypt's new government. President Hosni Mubarak assured U.S. Vice President Al Gore in January, and World Bank President James Wolfensohn more recently, that important changes were in the offing. There has been movement on housing rentals, and tariffs are likely to come down to 60 percent in the near future.

Privatization remains the skeleton key that will open up the economy. President Mubarak's new economics minister, Nawal el-Tatawi, insists that the government is determined to liberate itself

from a major involvement in the economy and direct its energies toward issues like better health care, social services and schools.

Bitter pills

Egypt has been no exception to the usual belt-tightening that accompanies a World Bank "strategic adjustment program." The elimination of subsidies has increased the cost of food, energy and transport. A recession in the small-scale and informal sectors has been hard on the lowest-income groups. The gross domestic product is only now picking up, thanks in part to the cushion of a generous Social Fund for Development.

Prospects for high and sustained growth, if promising, are hampered by some holdovers. Cotton, once the prince of exports, is coming back, but has not quite been freed of its past legacy of mismanagement. The relatively modest \$500 million a year in foreign investment indicates that growth is largely domestically generated, helped by huge amounts of expatriate Egyptian money flowing back into local currency



deposits, real estate and industry (flight capital is estimated to total \$60 billion). An encouraging sign is the decision by South Korea to invest \$1 billion in the country over the next six years.

Other investors may be



Nawal el-Tatawi, Egypt's new economics minister.

waiting for the devaluation of the Egyptian pound, which the International Monetary Fund is demanding in exchange for writing off the third and final tranche of foreign debt, worth \$4 billion. The IMF considers the currency to be overvalued by 40 percent. The government argues that with exports holding their own, there is no need for such drastic action. Whatever the merits, a clean bill of health from the Paris Fund would clear away many lingering doubts about Egypt's profitability and security.

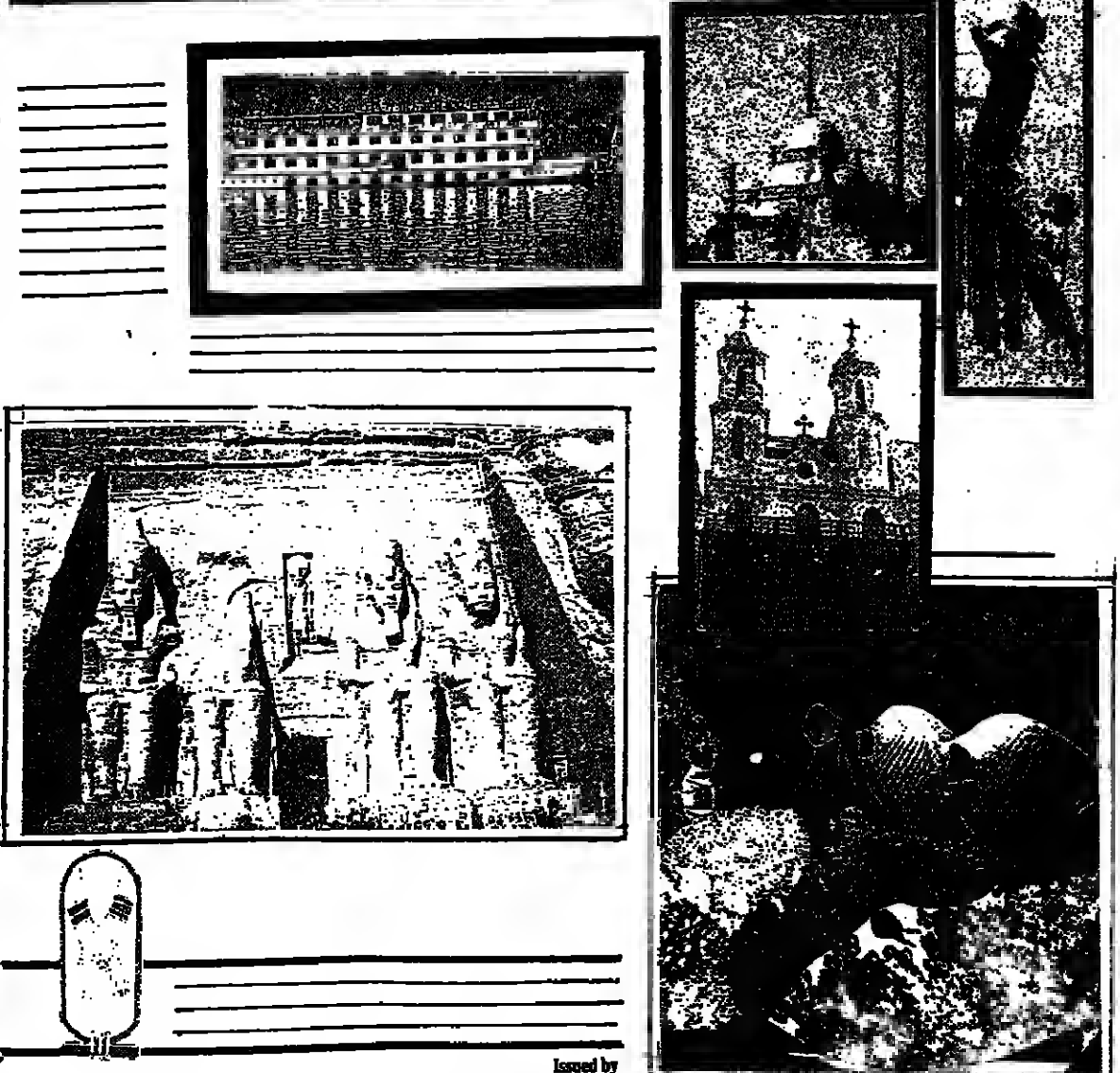
Better prospects

Otherwise, the World Bank appears happy with what it sees. Mr. Wolfensohn has said it is prepared to consider "very large amounts of lending if the

Egyptian government wants to borrow." And there are additional incentives. Part of the U.S. assistance program is a biennial \$400 million for sector policy reform (SPR). As the Egyptian government completes items on the list, money is released. On its first SPR, it scored 37 out of 40, prompting the release of \$380 million. SPR 2, for the financial period April 1995-April 1997, lists 20 measures. Egypt has already met the target of 15 privatizations for this year (last year there were 10), and \$50 million is about to be released, with another \$50 million "very close." John Westley, USAID's Egypt director, warns that Egypt will have to work harder for the remaining \$100 million.

Denis Herbstein

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EGYPT



PRIME MINISTER SANGUINE ON CURRENT PROGRAMS

Kamal Ahmed el-Ganzouri was appointed prime minister of Egypt in January 1996. His mandate was to get his country's stalled economic liberalization program back on track. For most of his working life, Mr. El-Ganzouri's job description has been "planner." After obtaining a doctorate in agricultural economics at Michigan State University in 1967, he taught at the Institute of National Planning in Cairo, later becoming its director. More than 20 years ago, he entered the Ministry of Planning as an undersecretary, progressing steadily upward as deputy minister, minister, deputy prime minister and now prime minister.

Are you happy with your first three months in office?

I think so. We are now in the third stage of a long-term recovery program. In 1982-92, we established an infrastructure involving energy, transportation, housing, drinking water, sewage and the like. Without this investment of \$50 billion, it would have been impossible to talk about takeoff in Egypt. In the second stage (1991-95), we imposed financial discipline. Inflation is down from 30 percent to between 7 percent and 8 percent. The gross domestic product is growing in real terms at 4.5 percent a year. The budget deficit has been reduced, and foreign currency reserves have gone from virtually zero to \$118 million.

In this third stage, we hope that by the year 2000 the GDP will be increasing at 7 percent. Then we can offer many more new jobs for a population that is growing by 450,000 a year. The birth rate has already come down from 2.9 percent a year to 2.1, and the plan is to get it down to 1.6 or 1.5.



Kamal el-Ganzouri, prime minister.

Are private companies playing a significant role in development?

Yes, we are asking them to lead the way. By the end of the century, the private-sector share of the economy will be 80 percent, leaving the government to deal with the social elements, like health and education.

Is it true that there are a million empty apartments in Cairo?

The new rental law will allow young married couples to get an apartment, whether the figure is 500,000 or a million. In the last 15 years, 2.2 million housing units have gone up. The government gives subsidies for low income "popular" housing. But these will be built largely by the private sector.

What effect is privatization having on unemployment?

Six years ago, there were one and a half million employees in the public sector. Today, 900,000 work in 290 public-enterprise companies. I believe privatized companies keep 90 percent of their workers on. Ten percent take early retirement or reach a settlement with the new owners, or are found employment elsewhere. But it is our responsibility as a government to look after them; it is part of the culture of our society.

What is your outlook for the future?

It will be much, much better, not just for Egypt but for the whole region, if the peace treaty is signed. We have suffered for half a century for the Palestinian cause. We have played a leading role in politics and will do so economically as well, not only because of our size and population, but because of the country's enormous potential. Our financial discipline, infrastructure and good work force can make Egypt the powerhouse of the region.

Interview by D.H.

PRIVATIZATION PLAN TAKES ON NEW LIFE

Many observers consider that a slow and steady approach to privatization will pay off.

With more than 100 companies now on the "for sale" list, Egypt's privatization program has taken on new life and promises to be a key element in boosting overall economic activity. The list was approved by Egypt's new government on Feb. 14, and although it contains companies targeted for earlier privatization efforts but not sold, both local and foreign financiers have welcomed it as a sign of serious intent. "It is a quite ambitious program and I think they intend to implement it," says the chairman of the Egyptian Financial Group, Mohammad Taymour.

The list includes 16 manufacturing companies slated to sell a 40 percent share, 41 others to sell a majority share and 14 approved for total sale. In addition, 37 hotels, 500 branches and outlets belonging to seven consumer-good trade companies and the holdings of public-sector banks in Egypt's joint-venture banks are also due to go on offer.

The sales will move major sectors of manufacturing — from pharmaceuticals and flour milling to textiles and cement — further into the private-sector sphere, and make available major holdings in a number of hotels just as Egypt's tourism industry is enjoying a substantial revival.

Money talks

The positive response from the financial community is more than just a question of principle. "There are definitely buyers for some of the companies on the list," says Richard Oliver, senior manager, corporate finance for the Dubai-based HSBC Financial Services (Middle East), "especially in consumer appliances, light-to-medium manufacturing and the public-sector holdings of the banks. If Prime Minister Kamal el-Ganzouri can keep his momentum, he can certainly get some foreign money into Cairo."

Egypt's privatization program has been criticized for its slow pace; only \$1.65 billion has been raised since its start in 1993 and, beyond

the outright sale of three companies, most sales have been limited to 10 percent to 20 percent of the stock of public companies. Despite this, observers are still more concerned with the quality than with the speed and size of the program.

"They have to sell two or three really good assets to make sure the whole program is credible," says Mr. Oliver, "but we are not clock-watching on this."

Says a local financier: "The intentions as described are very encouraging, and if they achieve one-quarter of what they have said, it will be good."

With the large number of companies up for sale, concern is mainly focused on how well the process will be managed. Says Sherif Raafat, a partner in New York-based Concord International Investments, which manages two mutual funds for Bank Misr: "Given the ambitious nature of the program, the number of companies for sale and the current weakness in the local stock market, it is necessary to tap various kinds of investors through direct sales of companies to international and domestic investors and through public offerings in the domestic market. Public offerings in the domestic market should be properly programmed so that investors are not worried about the overhang of supply and price should be announced to investors. To date, the new offering appetite is strong on the anticipation of higher prices in the period after the offering."

Mr. Raafat says he is heartened that members of the financial community, the Capital Markets Authority, the Public Enterprise Office and government representatives have been meeting regularly since the beginning of the year to set policies



Sales of manufacturing concerns are expected to spark foreign interest.

and mechanisms for the program.

Macroeconomic factors

The general manager of Commercial International Bank, Adel el-Laban, expresses some concern that, in their enthusiasm for the size of the program, both government and investors might lose sight of what he regards as the real value of privatization. "We have to look at privatization as a means to enhance productivity and growth, and not as an exercise in shuffling assets," he says. "My litmus test of success is the number of new initial public offerings. Secondary market sales may just liberate government capital, which is then subsumed into the government budget deficit and not necessarily into productive activity."

His concern is understandable in a country where the government has succeeded in reducing its budget deficit to below 2 percent of GDP but is still facing an unemployment rate estimated as high as 18 percent and an annual per capita income of

just \$800. The benefits to the government budget cannot be overlooked, however. Egypt's public-sector companies are carrying liabilities of 70 billion Egyptian pounds (\$20 billion), so even if the target of sales of 27 billion Egyptian pounds is met, it will settle less than half of their requirements.

The privatization drive should also be seen in the wider context of Egypt's overall economic reform drive. The country has had to battle a long tradition of government control, bureaucratic inertia and the fear of job losses among workers. Now this is changing, says Angus Blair, head of research for the Middle East and Mediterranean for Britain's Barings Securities. "There seem to be various departments in happy competition as to who is moving more quickly, and changes are becoming more tangible," he says, adding that overall, "the whole process is exciting for the stock market and for the economy because the private sector is going to become more important." Pam Dougherty

"EGYPT"

was produced in its entirety by the Advertising Department of the International Herald Tribune.

WRITERS: Denis Herbslevin, based in Britain, specializes in African affairs. Pam Dougherty, who writes on Middle Eastern issues, is based in Amman.

PHOTOS: Barry Iverson.

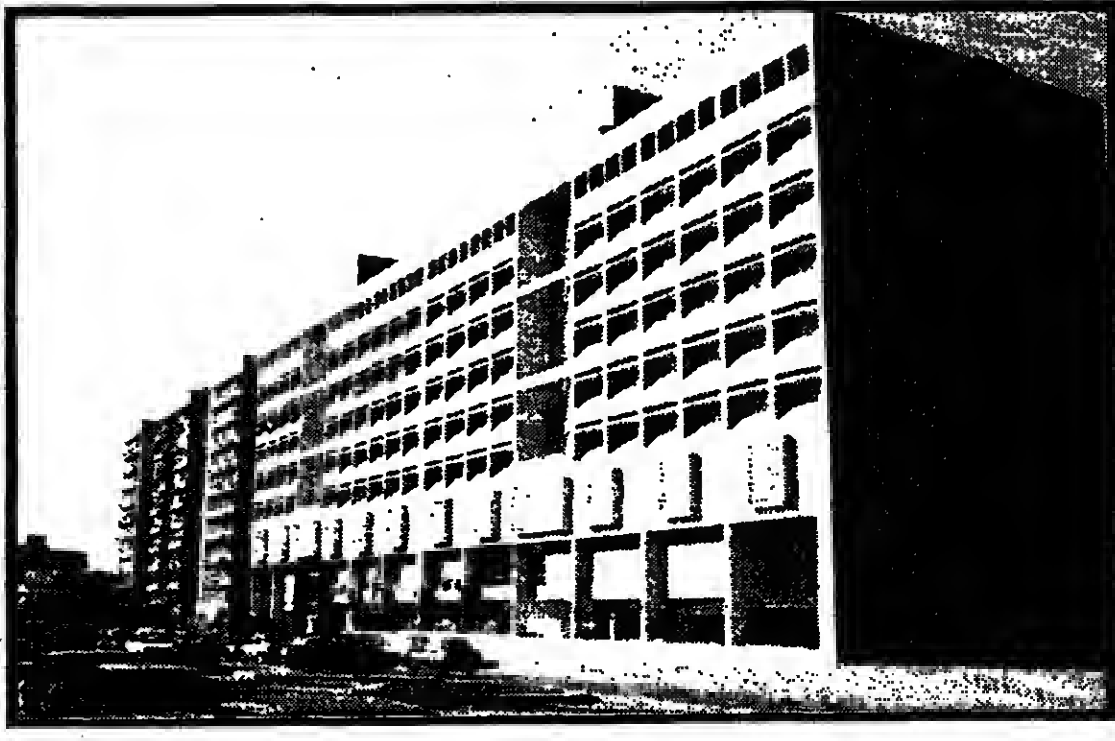
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EGYPT

HIGHER TECH, GREATER ASPIRATIONS

Telecommunications, computer software and power generation are among the sectors moving upscale.

In developing countries undergoing the privatization of industry, as much as 60 percent of investment may be in telecommunications. This will be the next step in Egypt's great leap forward, giving the private sector a more prominent role. A modern economy demands fiber-optic cabling, computer systems and infrastructural back-up. The government is known to be studying proposals for a major initiative, but has yet to announce any decision. Though most of the machinery and hardware will

be imported from the West, thereby swelling the import bill, local companies are gearing up for fresh opportunities. The 200 software companies in Cairo alone are a sign of the pace of the information technology revolution, a response to a regional computer market growing at 14 percent a year. Some 2,000 programmers are writing software in Arabic and English. The development was spurred on by the Cabinet Information and Decision Support Center, which has attempted to bring technological order

to the burgeoning marketplace. State-of-the-art fiber-optic cables will be produced for the first time in the Middle East at the El-Sewedy factory in Tenth of Ramadan City, outside Cairo. This joint venture with the German giant Siemens will make it possible to replace copper telephone cables with an underground system in Cairo, and eventually in Alexandria and other cities.

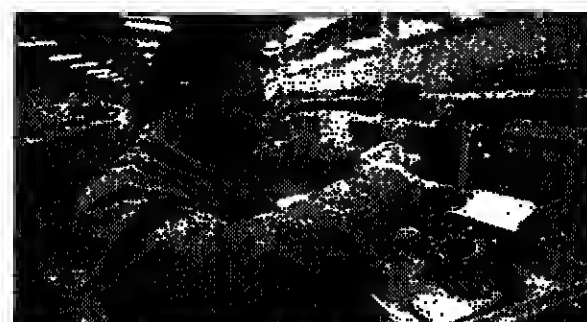
El-Sewedy's has been making cables for 15 years, including a 220-KV cable for the electricity industry. Hilal el-Sewedy, chairman, says the company is looking to export to the Middle East, Asia and Europe. "We have expanded so much we could supply 60 percent of Egyptian business," he says, "but we only take 30 percent, so as not to ruin the market."

This confidence is not undermined by the imminent arrival of a serious competitor in the form of the British cable company BICC in a joint venture with an Egyptian company. Mr. El-Sewedy admits

that BICC's research and development is superior, but considers it a fair challenge. "It will help us improve our performance," he says. "We are going to have to learn to swim in the deep end."

Another promising foray into the world of high technology has been made by Asea Brown Boveri (ABB), which manufactures switchgear, circuit breakers and remote control panels for the power industry at its factory in Tenth of Ramadan. "We are an Egyptian company, so we are facing all sorts of outsiders on the open market," says Aref Hakki, managing director. Turnover of \$60 million last year should climb to \$100 million in 1996. Mr. Hakki looks on the positive side of privatization. "We are competing in a quality market," he observes. "Public-sector companies tend to buy the cheapest, though not necessarily the best. Take our after-sales service. When these companies are privatized, they can think more in the long term."

ABB makes many of the components a sister company in Europe buys from suppliers. "As we can't always get quality here, we make our own porcelain, fuses and sheet metal," says Mr. Hakki. "It's good for added value." In Egypt's only calibration laboratory in the field, the company ensures quality control for measuring equipment certified by the National Physical Laboratory in London.



Asea Brown Boveri is manufacturing equipment for the power industry in Tenth of Ramadan.

Babcock & Wilcox has been supplying boilers to Egypt's power stations for almost 20 years and is one of the largest beneficiaries of the USAID program, whereby aid to Egypt comes back home in the form of orders to American companies. Two years ago, B&W paid the government \$15.7 million for a 51 percent equity share in Nasr Boiler & Pressure Vessels, which dominates

the fire-tube market. The plant is being equipped to produce the larger utility boiler. "Our order book is pretty full till the end of the fiscal year [April 1996]," says Sandy Baker, managing director of B&W Egypt. That equals \$12.5 million in orders. "If privatization succeeds," he adds, "there will be a great need for additional power, which bodes well for our sort of company." The Asian "tigers," with their ability to sell goods in the heartland of Western capitalism, are objects of awe in Egypt, which still has a way to go before it can consider itself a self-sustaining economy. "We hope to be tigers," says the economics minister, Nawal el-Tatawi, "but Egyptian tigers, tailored to our strengths."

D.H.

STOCK EXCHANGE: READY FOR PLAY

New issues are what the market is waiting for.

Egypt's investors have been taking a breather while they await the first moves in the government's new privatization drive. Following the February announcement of the list of companies to be sold, activity on the market declined, hitting a 20-month low in March when the major indexes recorded falls of 3.5 percent.

There is some feeling that the government could have handled the announcement of the sales more delicately. "The government is going to depend on the market for issues, and it should not have said anything that would overly depress it," says one analyst. "If they put all they said on the block, they could end up having a garage sale." Others disagree. "As an instrument of policy, it was the right thing to do as it arouses the interest of the market," says one foreign financial specialist.

Egypt's market is dominated by retail buyers who react quickly to any changes in the economic climate. In an enthusiastic response to the promise of rapid privatization, many liquidated their existing shares so as to have money available for new opportunities.

Market analysts are confident that the decline will be of short duration. "The market decline was an expected result of the announcement," says Richard Oliver, senior manager, corporate finance for the Dubai-based HSBC Financial Services (Middle East). Now, he says, "there is a need to build awareness in the international community, and if it takes some months, no matter. International investors, and especially the emerging market funds, are not looking at immediate advantage."

After 30 years of stagnation under a state-dominated economy, Egypt's market started coming back to life only in 1992. Trading value increased almost fourfold between then and 1994, rising from 597 million Egyptian pounds (\$175 million) to 2.6 billion Egyptian pounds, while the number of securities traded jumped from 30 million in 1992 to 60 million in 1994. Activity slowed in 1995, and observers now say there will be a quiet period until government plans are clear.

Meanwhile, the stock exchange is steadily earning local and foreign respect for its improved organization. The Capital Markets Authority's deputy chairman, Ashraf Shams el-Din, points to an improved legislative and regulatory environment, better information and the establishment of a computerized central depository, clearing and settlement system, due to be operational by mid-1996, as just some of the elements that have given investors greater confidence.

Information, please

The CMA has recently required all listed companies to publish quarterly results, and Mr. Shams el-Din is confident that, although there is still room for improvement, "there is now a decent amount of information on companies." He says growth in all sectors of financial services has also been good, with new brokers, underwriters, asset managers, financial intermediaries and venture-capital institutions bringing quality services to the market.

The market has also received steady support from the International Finance Corporation (IFC) in strengthening its financial and institutional capacities. Activity has ranged from the provision of funds to banks and financial institutions to advice on new legislation governing the capital markets. The expected listing of the Egyptian market in the IFC worldwide index in 1996 will be a further boost. Says Tarek Allouba of the IFC: "We are very encouraged by what is happening in the area of privatization."

Even with the current slow level of activity, investors are showing interest if they believe there is something good on offer. A 30 million Egyptian pound initial public offering, designed to raise capital for a new development project near Cairo to 100 million Egyptian pounds, was oversubscribed 10 times by 6,000 investors in early 1996 even as overall market activity was declining.

A number of other factors are also helping to improve Egypt's global profile as a financial center and target for investment. HSBC James Capel recently announced the launch of the first offshore closed-end fund to invest in Egyptian equities. Managed by Concord National, a joint venture between Concord Group and the National Bank of Egypt, the Egypt Investment Company will be listed on the London Stock Exchange.

The Commercial International Bank is taking advantage of this profile and charting new territory with plans to issue Egypt's first global depository receipt, which will include the sale of part of the stake held by National Bank of Egypt on the London Stock Exchange. It is the first time Egyptian shares will be listed on the international market; an estimated 40 percent of the CIB share offering is expected to be taken by foreign investors, marking a new stage in Egypt's drive to take its place in the world economy. P.D.

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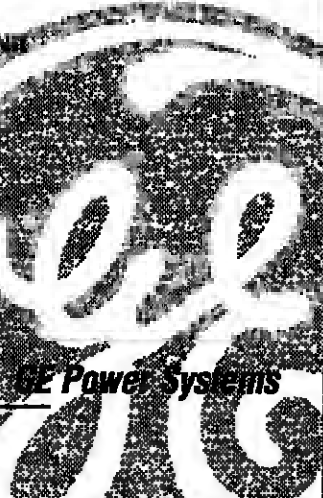
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EGYPT



Foreign oil companies are being attracted by larger concessions and longer exploration periods.

OIL AND GAS: TWO KEY RESOURCES

While not one of the bigger fish in the fossil-fuel sea, Egypt is striving to make the most of its assets.

Egypt has made oil exploration attractive to foreign investment, and more oil is being made available for export. Meanwhile, natural gas is becoming the favored fuel at home, and there is a determined effort to develop cleaner and sustainable energy sources. While gas is the energy of choice, oil nonetheless accounts for almost 60 percent of export earnings. It has brought in \$21 billion in the last decade and constitutes 10 percent of gross domestic product.

New exploration

While concession agreements cover 60 percent of the country, drilling currently takes place mainly in the Western Desert and in the Gulf of Suez. Foreign companies have been lured by unexplored areas, larger concessions and exploration periods of seven to nine or even 11 years. They can now recover costs for exploration and/or development after four years; previously it took many years. There is also more time for detailed geological and geophysical study and analysis of the research.

The new exploration areas and higher-grade scientific assessment have contributed to a re-evaluation of oil reserves from 3 billion barrels to between 6 billion and 8 billion barrels, and of natural gas from 22 trillion cubic feet to between 40 trillion cubic feet and 60 trillion cubic feet, offering energy security until the mid-21st century at current production levels.

The American company Pennzoil has landed three concessions in the Gulf of Suez since arriving in Egypt a year ago (along with Spain's Repsol, AGIP of Italy and Forum Oil, an Egyptian private company). It uses modern technology for everything from enhanced recovery in mature fields to locating subsalt drilling prospects. Hugh Rowlett, a seismologist who runs the Egypt operation, says Pennzoil is small enough to react quickly to new circumstances but also has the resources to take on major projects. "Egypt is the key to our Middle East operation," he says. "There is a lot of potential here. We want to build a long-term relationship with the government and the national petroleum company." Pennzoil will begin drilling in mid-1997.

The realization that there are great deposits of natural gas has made flexibility possible. The dash to gas is everywhere apparent, in the electricity and industrial sectors, in the home and in transport fuel. Over two-thirds of Egypt's natural gas is consumed by power stations, with the rest going to the fertilizer, cement and petroleum industries.

Charles Pitman, president of Amoco Egypt (which accounts for more than 40 percent of Egypt's crude production and is the biggest gas producer in America), says it is finding gas in trillions of cubic feet offshore in the Delta. "It allows the government to build and convert to gas-powered facilities, thus stabilizing oil exports at a time when you would expect them to go down because of demand from the new power stations," he says.

It will be two years at least before these gas finds can be exported via the \$500 million "Peace Line" from Port Said across Sinai to the Israeli border. There are price and delivery concerns on the part of Israel, but Mr. Pitman is confident that the project will go ahead. Amoco/Agip has agreed to supply 2.5 billion cubic meters of natural gas for 20 years from fields in the Mediterranean. An Israeli source says: "Lots of foreign companies want to get on board." Now the question is whether there are markets for gas beyond Israel.

Meanwhile, another Israeli-Egyptian collaboration, the \$1.5 million Midor oil refinery at Sidi Kerer, is due for completion in 1998, with a capacity of 100,000 barrels per day. Israeli-Swiss and Egyptian private interests registered in Dublin own 80 percent of the project; the remainder belongs to the semipublic Egyptian General Petroleum Corporation (EGPC).

Pipeline profits

Another large capital project, the Sumed oil pipeline — built after the canal was blocked in the 1967 war with Israel — has earned over \$1 billion for Egypt since it started flowing in 1977. Half the revenues came from transit fees and half from its 50 percent shareholding with four Gulf states. Profits will be considerably increased following last year's expansion of the pipeline's throughput capacity from 1.6 million barrels a day to 2.4 million barrels a day.

Now the EGPC is awaiting the results of a feasibility study due early next year on connecting Sumed to the Arabian Petroleum Pipeline Co. (APP) pipeline, Petroline. The APP chairman, Ali Nazih, says an aerial bridge would be built from southern Sinai over the Strait of Tiran to Yanbu on the Red Sea, where Petroline terminates. In addition, the Suez Canal is being deepened by 4 feet to 59 feet, and tolls have been frozen for the second year running, making it more attractive to the giant oil tankers that have forsaken it for the Cape of Good Hope route.

D.H.

BANKING SECTOR SEES REVAMPING OF BOTH STRUCTURE AND SERVICES

Banks are retooling themselves to deal with increased competition and encourage new businesses.

Rapid modernization of the banking system is helping to re-establish Egypt as the financial hub of the Middle East, a position it lost after the nationalization of the economy and the closure of the Alexandria stock exchange during the Nasser epoch. The banking world took off to Beirut and then, after the outbreak of the Lebanese civil war, to Bahrain. Now, with Cairo slated as the site of the headquarters of the Middle East Development Bank, Egypt is in the driver's seat to become the region's banking capital.

The process of financial liberalization, though slow, has wrought enormous changes in the Cairo banking world. A draft law before the People's Assembly (Parliament) will permit foreign ownership of more than 50 percent in a bank. For years, foreign banks had to be satisfied with a 49 percent stake in a joint venture with a state institution. Now, banks like Barclays and Société Générale will be able to take a majority share. As for the offshore banks, in 1993, Citibank, American Express, Crédit Lyonnais and others took advantage of a new law allowing them to open branches and deal in Egyptian pounds. Soon, outsiders will find the playing field almost level.

Active stance

This open-market policy poses serious challenges to Egypt's banking establishment. With more than 80 banks operating in various fields, competition is stiff. "Banking has shifted from the stagnant passive to the deregulated active," says Mohamed Ozalp of Misr International, a member of the President's Council. Lending, once the cream of the business, is no longer as profitable as it once was. "So we have to offset this loss by offering new services," says Mr. Ozalp. "Privatization is a golden opportunity for flotations, consultancies and the like." Telecommunications, the next giant step forward in infrastructure, is already providing rich pickings for investment banking.

As the capital markets become more sophisticated, traditional established banks have to be transformed into savvy operators. "I hate to say the old companies are not good," says Mr. Ozalp, "because the management often is good. It's just that the structure is archaic." Hence the constant pressure exerted by the American government, USAID, the World Bank and the European Union to press ahead with privatization.

The four pillars

The government is in no hurry to sell off the four major state commercial banks, which are viewed as pillars of the national economy. They dominate domestic lending, holding

"No longer do they sit at a wide desk waiting for people to knock on the door and ask for a loan. They are out in the marketplace. They are better at offering popular services like credit cards and cash dispensing machines. They are making a higher level of profits, which is a good thing for all of us."

The new arrivals are doing even better. Citibank, which has a niche in debt-to-equity swaps, has had an excellent year, while Amex Bank has opened six branches dealing in local currency.

The need for reform is as urgent for the individual as for the entrepreneur. Residential mortgages are rarely given to individual borrowers, because banks find it difficult to secure an eviction against a defaulter. A change in the law to avoid lengthy court cases would do much for the housing market.

New ventures

The banking sector also offers venture capital through the Banking Credit Guarantee Company for Small Scale Enterprises, or CGC. The initiative owes much to USAID. CGC guarantees loans and credit facilities offered by nine Egyptian banks to enterprises lacking the collateral to launch new ventures, expand existing activities or enhance export potential. Projects range from a total investment of 40,000 to 5 million Egyptian pounds (\$11.780 to \$1.47 million). From its debut in mid-1991 to March 1995, the CGC extended guarantees to almost 5,000 concerns, securing credit of 467 million Egyptian pounds. Only eight cases of default were reported, amounting to guarantees of 311,000 Egyptian pounds. This success has prompted CGC to open three more offices in Upper and Lower Egypt.

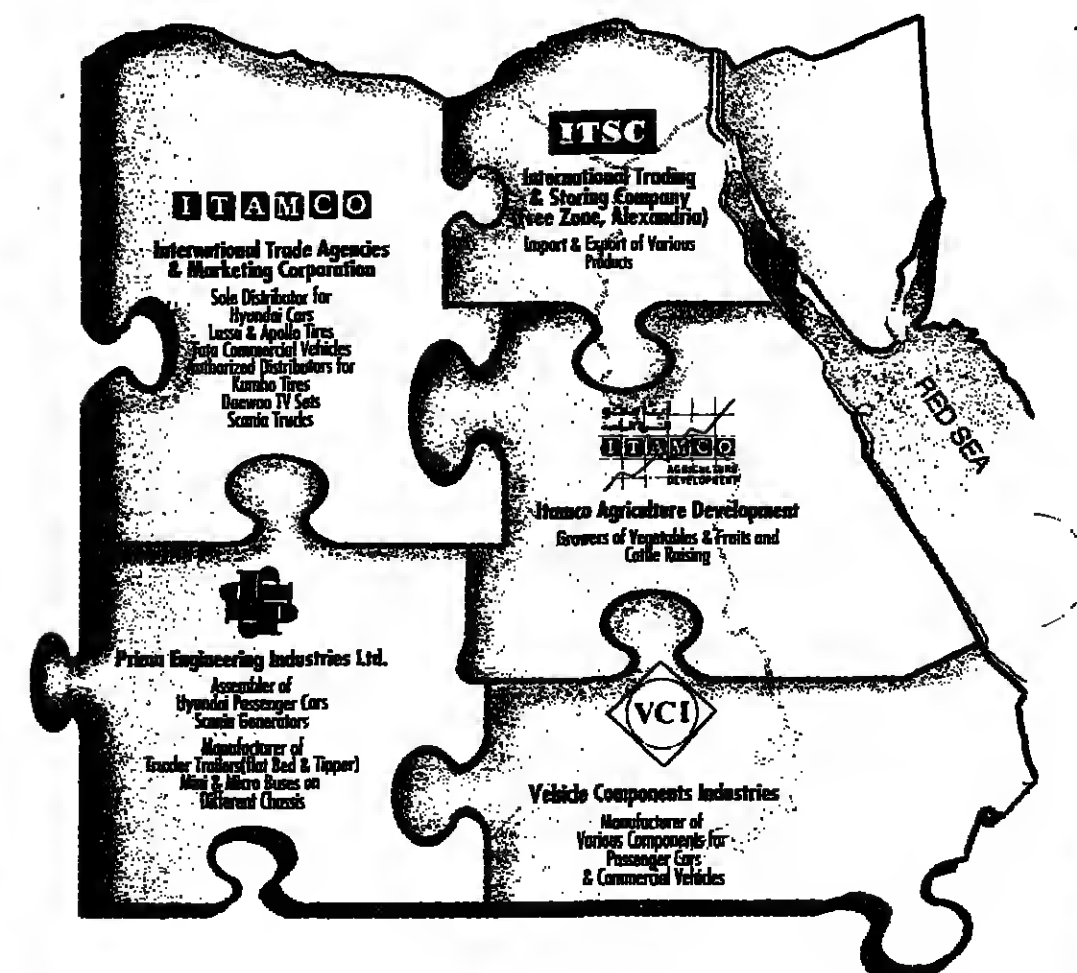
When another member of the President's Council, Shafik Gabr, talks of "re-engineering the mindset of the government and the man in the street," it seems that the process is already under way in many parts of Egypt.

D.H.

'Banking has shifted from the stagnant passive to the deregulated active. So we have to offset this loss by offering new services.'

two-thirds of all money deposited nationally. They have 850 branches, three times as many as their private and joint-venture rivals. The National Bank of Egypt is the country's largest in terms of assets, deposits, loans and shareholders' equity, though the most profitable is Commercial International, once an NBE and Chase Manhattan joint venture, now Egyptian-owned. These banks are nevertheless on their toes, says one Egyptian banker.

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EGYPT

POWER PROJECTS BOTH LOCAL AND REGIONAL

Water, wind, natural gas and solar power are all being harnessed to generate much-needed electricity.

Maher Abaza is confident that every home in Egypt will be lit by electricity by the end of 1998. Certainly, he doesn't intend to rest until the final 3 percent, mostly in small villages in upper Egypt, are connected to the national grid. It might take a while longer before inaccessible settlements in the Sinai Desert are plugged in, but this will still be a major achievement. When Mr. Abaza was appointed minister of electricity and energy 15 years ago, only one in 10 of these villages had electricity.

The lights now shining in desert and delta are potent symbols of progress in electrical power generation. A network of power stations is now popping up along the Nile. At Kureimat, 100 kilometers (62 miles) south of the capital, General Electric's two 627-megawatt steam turbine generators are the biggest ever brought to the Middle East.

When the power station goes on-stream in late 1997, it will add 10 percent to Egypt's total 12,000-MW installed capacity. In between these mega- and micro-symbols are other signs of Egypt's budding sophistication: the manufacture of electric cables, advances in pumping techniques for agriculture and the gathering momentum of a telecommunications revolution.

Driving demand
Mr. Abaza forecasts a 5 percent rise in overall demand in 1997 and a 7 percent annual increase by the end of the century. Current consumption is predicted to double seven years from now. At the moment, half of Egypt's power is consumed by industry, one-third by households and 5 percent by agriculture, with the balance used for water, sewage, street lighting

and other public services. Agricultural consumption is expected to rise steadily — a drive to Alexandria reveals thousands of verdant acres where there was once only sand. More and more, electrically driven pumps will sustain the momentum of this desert reclamation. The greatest surge in demand, however, will be from the factories, hotels and tourist complexes planned for the new Egypt.

Close on the heels of Kureimat are two 650-MW gas-fired plants at Sidi Kerir, 30 kilometers west of Alexandria, and Ayoun Moussa, to be constructed by joint ventures between foreign companies and Egyptian finance houses. Ayoun Moussa, opposite the town of Suez, is significant in that it supplies electrical energy to the Sinai Peninsula. Further down the line, perhaps eight years away from completion, are a trio of BOT (build-operate-transfer) power stations to be constructed and run by private sector companies, which will sell electricity to the EEA. This represents a milestone in the liberalization of the economy. The International Bank for Reconstruction and Development will provide guarantees for investors, from whom offers are expected later this year — Mr. Abaza mentions the old Egyptian hands Siemens, ABB, Babcock & Wilcox and General Electric. The projects will be handed over to the EEA after 20 or 25 years.

The first project is a 200-MW wind-powered station at Zaafarana on the Gulf of Suez, following a German-Danish test project on the Red Sea at Hurghada. Wind speeds of 10 meters per second — which attract windsurfing tourists — make the coast at least as promising as California and Denmark, where this power system has worked well. A clean and entirely renewable resource, it has a potential capacity of 20,000 MW, says Mr. Abaza. The other projects are a traditional two-by-325-MW thermal station and a pumped storage hydro-scheme using waterfalls in Gebel Ataqa, above Suez. Mr. Abaza

also wants to generate 50,000 MW of solar energy in the Sahara, using the photovoltaic method in the daytime and gas at night.

A notable aspect of the Egyptian power generation program is its "cleanliness," made possible by the Gulf of Suez natural gas fields as well as by the power from the High Dam at Aswan. Well over two-thirds of Egypt's gas production is destined for electricity. Thus Kureimat will be fed by two gas pipelines from the Red Sea and the Delta. It has a fail-safe oil pipeline from Cairo if gas is in short supply. The rival fuels are the same price, but oil is cleaner for equipment and, crucially, for those who live and work in its shadow, says Mohamed al-Sayed, the electricity authority's inspector-general for the project.

A brace of chimneys soaring 154 meters above the Nile proclaims the near completion of Kureimat, which is funded by soft loans from the African Development Bank (\$225 million), the Arab Fund for Social and Economic Development (\$175 million, of which Kuwait's share is five-sevenths and Saudi Arabia's two-sevenths), the World Bank (\$21 million to finance the gas lines) and \$130 million in Egyptian currency financed by the Electrical Authority. The grant from the United States Agency for International Development (USAID) is \$163 million.

Learning by doing

The contractors are American, Canadian, German, Swiss, Italian, Korean, Japanese and Egyptian. The insurer, El Chark, is Egyptian. "We have 19 separate contracts and are buying everything from the suppliers direct," says Mr. El-Sayed. "As there are no middlemen, we are saving the profits that would have gone to the turnkey contractor. We budgeted for \$1.2 billion, but expect the four-year project to be completed for about \$700 million." A further bonus for the Egyptians, says Mr. El-Sayed, is that they

have learned a tremendous amount about how business works. "It's been a good experience for our people who are managing and monitoring," he adds.

There is little doubt that foreign companies have done well out of a combination of Egypt's infrastructural progress and 15 and more years of USAID. One leading beneficiary of this aid is General Electric, which has supplied the two steam turbine generators from its Schenectady, New York plant at a price of \$85 million. Over the years, GE's F110 aircraft engines for the F-16 fighters, T700 helicopter engines, locomotives, medical equipment and kitchen appliances have made the company a household name in Egypt, though its products are not as yet produced there.

Siemens has signed a small but significant contract with the EEA to cross the Suez Canal with a 500-KV overhead line. This is the start of the link-up with Jordan through Sinai to Taba, and from there under the sea to Aqaba, avoiding the short section of Israeli coast at Eilat, then on to Syria, Turkey and, eventually, Iraq. Financing is coming from the European Union and the Arab Fund.

To the west, just a few kilometers remain before the link-up with the Libyan power system, opening the way to a line across North Africa, to cross into Europe at Gibraltar, creating a power pool of 17 Mediterranean nations.

In the meantime, European countries, in particular Spain and Turkey, are showing interest in plugging into African electricity. It will be a question of getting the sums right, but the clean power made from renewable energy sources on offer from countries like Egypt becomes more appealing as concerns grow about coal- and oil-fueled power stations. Klaus Ebling, Siemens's managing director in Egypt, says Europe will be willing to pay more for clean energy. "Some say the project is unrealistic, that it faces big political and economic hurdles," he says, "but it is imaginative and it can work."



It takes 20 hours to complete the 80 stations on Hyundai's Egyptian assembly line.

FOREIGN AUTOMAKERS VIE FOR LOCAL MARKET SHARE

As Egyptians sense better times ahead, carmakers are setting up shop.

There are only a million private cars on Egypt's roads, half in greater Cairo. Last year, only 57,000 new passenger cars were sold in the country. The figure in 1983 was 100,000. Then came the foreign-exchange crisis import clamp, which severely limited the inflow of new cars. Beginning three years ago, cars could once again be imported, banks were allowed to provide financing and local entrepreneurs pondered the serious growth of the automobile sector. Sales doubled to 48,000 in 1993, and there they have stayed.

Liberalization does not always help the local producer. Half the cars bought in Egypt last year were imported, mostly from Eastern Europe. With the Russian Lada 2105 selling for \$3,500, Raouf Ghabbour, chairman of the holding company that assembles the Korean Hyundai, says, "We can't compete on our Hyundai price of \$15,000." While low-priced imports are a boon for Egyptian commuters, most of whom cannot afford the higher price, it does pose problems for the industry. What will happen when tariffs on car imports are reduced, as the financial institutions are demanding? Manufacturers want the government to impose an import quota to give the local industry room to take off.

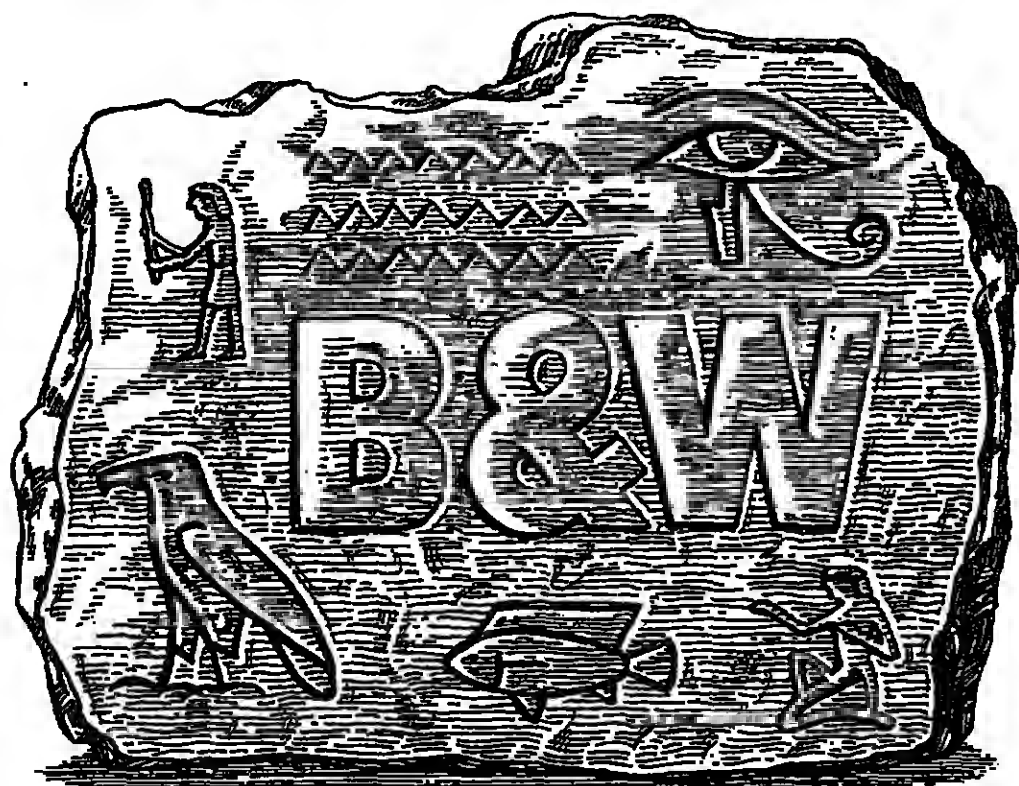
Mr. Ghabbour estimates that the market may rise to 100,000, one-third of which will be imported. Six manufactur-

ers — General Motors, Peugeot, Suzuki, Citroën, Hyundai and a state-owned plant — are vying for sales of some 65,000 cars. The size of the market, he believes, allows room for only two manufacturers; another Korean company, Daewoo, might also be coming in. In addition, a Mercedes-Benz plant goes into production next year — newly wealthy Egyptians bought 543 imported Mercedes in 1995. The influential chairman of the Artoc Group, Shafik Gabr, is considering a Skoda plant geared toward regional exports.

Local assemblers are rewarded with tariff reductions as local content goes up. At its year-old plant at Abu Rawash on the road beyond the Giza Pyramids, the Hyundai Excel 1.5 GLS is being produced with over 40 percent local components. Seats, dashboard, wheels, tires, radiators and batteries are locally made, but the engine, dashboard instruments, transmission and sheet-metal panels are imported. An associate company is to start pressing small body parts, but after that the next stage of localization will require big investments, justified by increased sales. "We have reached a plateau of components," says Hyundai's factory administrator, Hosni Ayoub. "A three-dimensional dye is needed for the curved surfaces of the nose and hood. It comes from Korea and is very costly."

D.H.

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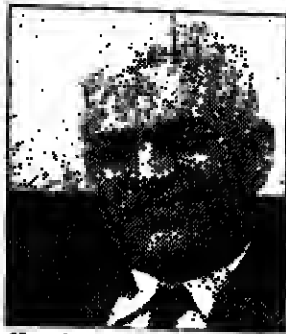
TOURISM EVOLVES AND DIVERSIFIES

New resorts are springing up along the Red Sea.

While Egypt's travel industry has suffered in recent years, tourists find it difficult to stay away. The Gulf War was disastrous for the whole region, but by 1992 Egypt's tourism figures were up to 3.2 million, helped by heavy price-cutting — five-star hotel rooms in Luxor

sians. Significantly, they are staying longer, as indicated by a 32 percent increase in bed nights over the previous year.

The increase owes much to a big-budget advertising campaign targeting quality markets: the United States, Japan, Britain, Germany, Italy and France. The minister of tourism, Mamdouh el-Beltagi, has also led road shows to several countries, most recently to several American cities. A similar venture into the post-apartheid South African market worked so well that Egypt Air now runs three weekly flights out of Johannesburg, with a fourth planned.



Mamdouh el-Beltagi, minister of tourism.

were offered at \$20. Last year, the figure again climbed above 3 million, including more well-heeled Westerners: 320,000 Germans, followed by 295,000 Israelis and 292,000 British, as well as Italians, Americans, French and Rus-

Old stones, new resorts A Tourism Ministry official explains that while Egypt used to be mainly an elite destination for cultural tourism, that changed in the 1980s. Now there is a diversity of recreational and conference, as well as cultural, attractions. A growing number of travelers are combining the holy sites of Israel and Egypt,

NEW COMMUNITIES BLOOM IN DESERT

People and factories are moving outside Cairo.

Egyptians inhabit a mere 3.5 percent of their country, clustered along the Nile and its papyrus plant-shaped delta, which has played a formative role in Egypt's culture. This is now changing. Some 400,000 people have moved to new desert towns that have been constructed to redistribute population and economic activities, protect agricultural land, create job opportunities and upgrade the quality of the living environment, according to a brochure put out by the Ministry for New Urban Communities.

The program was launched in 1979, but only really took off 10 years later with the introduction of a package of investment incentives. Cheap land, good road communications, 10-to-15-year tax holidays, decent housing, schools and universities, unpolluted desert air and strict environmental controls have lured local and foreign entrepreneurs, workers and resident families from Cairo. The General Authority for Investment, or GAFI, now approves only those investments in Cairo that have an economic rationale for being there.

Ambitious targets Several new towns have taken on a life of their own. Tenth of Ramadan City, on the road to Ismailiya, has 50,000 residents and 800 factories. If its population reaches half a million people in 100,000 homes who work in 3,500 factories — the ambitious target — it will become Egypt's largest industrial area. Automobile assemblers and engineering multinationals mingle with makers of rugs, ceramics and furniture. The town is close enough to Cairo for workers to be bused in — until they find it convenient to settle there. Residents can now buy plots and build their own houses. There are also plans to extend the subway system from Cairo.

While the new towns are mostly in range of Cairo and the Delta, a smaller community, New Tiba City, is planned in Upper Egypt to take the strain off Luxor, which has been designated an "international open museum." The target population of 35,000 will include residents, tourists and people working in tourism and local handicraft enterprises.

The government's figures for the 17 existing

and planned new communities add up to nearly 6 million people, one-tenth of Egypt's present population. If this mammoth program of population dispersal is even half successful, it will improve the lives of many Egyptians. D.H.



Thirty-seven of Egypt's hotels are now up for sale in the current privatization program.

tracing the voyage of the Holy Family to Cairo. Research at Safage on the Red Sea, where the world windsurfing championships were held, suggests encouraging possibilities for treating rheumatism and skin complaints. With the Red Sea resorts no more than half a day's drive from the Nile Valley, sun worshippers can also treat themselves to the incomparable Luxor or sedate Aswan.

Tourists are moving eastward to Sinai, the Gulf of Aqaba and the Red Sea (including the Mediterranean and the Gulf of Suez, there are 2,700 kilometers [1,675 miles] of unpolluted and often sandy coastline). It is here, largely, that Egypt plans 241 projects that will almost double hotel capacity from today's 65,000 rooms to 123,000 by the year 2002. The largest development on the Red Sea Riviera up to now has been at Hurghada. Tourists come for the windsurfing, sailing, deep-sea fishing, snorkeling and diving in the underwater coral gardens.

Megaproject Now, south of Hurghada, work is beginning on the country's most ambitious integrated tourist center so far, at Sahl Hashish (the

word means "grass" in Arabic). There are 20,000 rooms planned for completion by the year 2011. In five luxury hotels and several tourist villages. Sixty percent of the project, which will cost almost \$800 million, has been covered by Egyptians. A \$130 million World Bank tourism infrastructure loan will be drawn on to cover power, water and waste installations.

Foreign investors are also coming in. Ahmed Atef el-Wassief, managing director of Wings, one of Egypt's largest travel companies, says, "For the big American and European management companies, Egypt is a honey pot." The German tour operator Neckerman is building a resort village near Sharm with an Egyptian partner. Wings raises the money to build hotels, then signs a management contract. Three of its planned projects are at Marsa Allam (south of Hurghada), in Sinai near St. Catherine's monastery and at Ras-el-Nabq, north of Sharm.

In the last three years, almost all this hotel-building activity has come from the private sector. The reforms of Investment Law 230 have made life easier for developers. A "one-

stop shop" reduces bureaucratic paperwork to a minimum. Once the Investment Authority is satisfied that investors have fulfilled the proper criteria, approval is quickly granted.

Name hotels As part of the liberalization program, the government will sell off 37 hotels — including the Nile Hilton, the Aswan Oberoi and the Savoy in Luxor — and Nile cruises. The market for the boats is uncertain. Given the concerns about security along part of the Nile route, cruises have been limited to the Aswan-Luxor section. Following an initiative by the government, when a party of operators and journalists made the journey through to Cairo, the logjam seemed to have been broken. This month, the Wings Tours cruiser "Jasmine" will make the trip under charter to German and French travel companies.

Egyptian tourism is waiting for lift-off. It is inhibited by fears of terrorism at home and the cycle of war and peace in the region. Once these problems are overcome, projections of 5 million tourists yearly by the end of the century will begin to look more realistic. D.H.

SPOTLIGHT

New Legislation Opens Up Housing Market

Private developers, both domestic and foreign, are being encouraged by regulatory changes in the real estate sector.

Cairo's empty apartments, which may number a million and a half, may soon be lived in. Some have been empty for five years or more. The draft law lifting rent controls on new tenancy agreements, which had been on hold for several years, was considered too risky to enact. But soon after Kamal el-Ganzouri became prime minister in January, the government grasped the nettle. The move is symbolically important, a signal that reform is back on track.

Under the old housing code, a close relative who had lived in an apartment for at least three years could replace the original tenant when he died and go on paying the same rent. As a result, when a property was vacated, the landlord often simply put up the shutters. Now, he will be able to write a fixed period of tenancy into the lease. Two additional stages of the code await enactment: one to decontrol commercial rents, the other dealing with sitting tenants. Since many Egyptians have low incomes, the latter change is certain to create resentment. Government officials are talking about a five-year transition period before tenants are evicted. Still, the reforms are intended to encourage private developers to start building for ordinary people once again.

Some observers say time is needed to convince owners of the new opportunities. Amin Abaza, a Cairo real estate developer, wonders what will happen if, after five years, tenants don't get out, then you have to go to court, which can take years, and will you win? And then will you get the flat back?

High-end development

The housing market has in fact been doing well for several years, but only in luxury flats in Cairo and Alexandria and in some tourist sites. A notable phenomenon is the proliferation of villas and chalets along the Mediterranean coast. The area around Sidi Abd El-Rahman, west of Alexandria, is a popular summer resort for Egyptians, but has yet to become a magnet for tourists. The coast is likely to become a focus for quality building, with some money coming from expatriate Egyptians looking for a shelter against a return to high inflation.

It is the perceived improvement in the investment climate, the "feel-good factor," that is generating large-scale building on all fronts. Examples are the ambitious tourist developments on the Red Sea and Sinai coasts. The Nile skyline is about to fill up with two giant landmarks: a twin-tower residential and commercial complex in Giza for private Egyptian and Gulf interests, and the 750-room Conrad Hilton, to be managed by Conrad Hotels of the United States.

The country is a beehive of building sites. The cultural high spots are the Alexandria library (its four-story underground cylindrical section is nearing completion) and the \$200 million Media City, a bold pitch to make Cairo the Hollywood of the Arab world. The capital's successful subway system is being extended, and the Suez Canal will be spanned by a rail bridge. Then there are the planned and under-construction power stations, refineries and petrochemical projects.

Foreign holdings

The climate has been changed dramatically by Investment Law 230, dealing with foreign investment. For the first time, foreign companies may own the land necessary for their objectives without obtaining the specific approval of the prime minister. These companies are allowed a 100 percent stake in their ventures. They have the right to remit income earned and to repatriate capital. The law restricts foreign investment to certain sectors, but they cover a wide range, including housing, real estate development and tourism.

One of the bigger players in up-market construction, the Egyptian Kuwaiti Real Estate Development Company, is gearing itself for a huge increase in investment. Its biggest current project is a block of 40 luxury apartments next to the Marriott Hotel in Zamalek. Things are moving in Egypt, says its Cairo general manager, Mowaffaq Fahad al-Fulaj: "We hope that the restraints will be less heavy, and hopefully demolished altogether. If things are easier here, I will convince my company to invest more." Mr. Al-Fulaj goes on to predict a real estate boom in the next 10 years. D.H.

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For Pennzoil, it is the continuation of over three decades' experience working in Azerbaijan. Starting in 1962 with the gas utilization project, we became the first service company to work with N.A. A.R. Then in 1964 — along with other members of the international consortium — we assumed joint responsibility for the recovery of an estimated four billion barrels of oil in the Caspian Sea. And now in 1995, we're once again playing a pivotal role in the development of Azerbaijan's Caspian energy resources — this time in the Karabakh prospect.

When it comes to working with N.A. A.R. and the Republic of Azerbaijan to turn a natural resource into a national resource, Pennzoil will always be the partner. Even at 610 ft. below sea level.



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In Frankfurt For Business

FRANKFURT IS SECOND only to London in the European foreign-exchange business and at last count had 428 banks, 279 of them foreign. There are 170 insurance companies in the city, which is also headquarters for such giant industrial concerns as AEG, Degussa, Hoechst, and Metallgesellschaft. The major foreign corporations are grouped just outside of town.

Trade has been Frankfurt's lifeblood ever since it was known as the "Ford of the Franks," first mentioned in dispatches by the Emperor Charlemagne in A.D. 794. By 1361, rich traders were using some 117 houses for the annual autumn trade fair. A chronicler wrote, "The fair has the same significance as the flooding of the Nile, except that what is left behind on the banks of the Main is not silt, but gold." These fairs introduced the system of fixing exchange rates each day and laid the basis for the creation of the stock market in 1585. Today's financial markets stem from these origins, while the fairs are a major industry. No sooner have thousands of exhibitors and visitors left after one fair than others arrive for the next show. Fairs follow one after the other throughout the year, except in July.

Business Frankfurt is not pretty, or even architecturally impressive. Its style is modern monolithic. If the typical office building says anything at all about the owners and occupiers, it is that they are too busy making money to make cultural statements. Even so, Frankfurt is rapidly acquiring some cosmopolitan polish. The big banks have bought a lot of real estate in the old red-light Kaiserstrasse district, and as the girls have moved out, the gourmet food stores and fashionable boutiques have moved in. The Alte Oper, the opera house seriously damaged in the war, has been rebuilt and there is now an impressive parade of museums and art galleries on the Main river's southern bank.

Getting Around

The U-Bahn, or subway system, serves the city and links with the S-Bahn commuter network at three downtown stations: Hauptwache and Konstablerwache. At ground level there are also streetcars and buses. You can buy tickets good on both trains and buses from blue vending machines and at stations. Bus drivers sell tickets valid on their route only. A special ticket valid for 24 hours allows the rider to travel throughout the city. Car rental is not recommended for getting around the city. Tip cab drivers about 5 percent.

At a Glance

Essential Frankfurt is small — that is, if we define "essential" as being the districts that include banking, business and major hotels. Many of these neighborhoods fan out from the Hauptbahnhof area. Kaiserstrasse and

Munchenerstrasse, formerly notorious, have had a scrub and, together with Taunusstrasse, provide convenient links with the Romer neighborhood. In and around Romer are city hall, the tourist offices (the main one is at the station), the Gothic cathedral and restored medieval Frankfurt. In the nearby Hauptwache district are banks, the stock exchange, chambers of commerce and department stores.

The left (south) bank of the Main river is where the locals find their fun in apple-wine taverns, discos and the clubs that make Frankfurt Germany's jazz capital.

In a Word

Many people speak two versions of German: Hochdeutsch (High German) or Schriftdeutsch (written German), which is "correct" and formal German; plus the local dialect, Hessisch. Virtually all banking and business executives also speak English.

Wining & Dining

Frankfurt will probably never be known as a gastronomic mecca. Typical Frankfurt specialties are Handkäs mit Musik, a yellowish, translucent, wrinkled, gelatinous cheese

of the prewar city. Elegant, 360-year-old, multi-level, vaulted cellars with valuable antiques. House musicians. Can get smoky. Some gourmets rate it the best in the city. Dynasty, Konrad Adenauerstrasse 7. Tel.: 293041. One of the best Chinese restaurants in the city.

L'Emir, Baseler Platz 2. Tel.: 2301-2324. Excellent Lebanese food, with entertainment provided by a belly dancer. Located down by the river, a short walk from the train station. Owner Ismat Abou-Zaki explains how to eat his wide range of appetizers.

Eppstein Eck, Eppsteiner Strasse 26. Tel.: 172603. German and Frankfurt specialties lovingly prepared in this restaurant in the Westend. Pub atmosphere. Nice summer garden.

Erno's Bistro, Liebigstrasse 15. Tel.: 721997. French cuisine. A longtime favorite with the bankers for lunch and dinner. Small, cozy, wood-paneled, it's Frankfurt's version of a Parisian bistro. Lamb is outstanding. Good lunch.

Gargantua, Liebigstrasse 47. Tel.: 720718. Fine food and wine at this small, warm restaurant catering to successful young urban types. Owner is former political street-fighter Klaus Trebes.

Hessler, Am Bootshafen 4, Maintal-Dornheim. Tel.: (06181) 492951. Twenty minutes east of Frankfurt on the Main bank, Frau Hessler's restaurant features one of the region's best wine lists and prices — but very good — food, mixing regional and French specialties. Worth the journey. Mikasa, Goethestr. 13. Tel.: 280261. Centrally located Japanese restaurant that has a quick, reasonably priced sushi lunch.

El Pacifico, Cantina Mexicana, Sandweg 79, Frankfurt-Bornheim. Tel.: 446988. Good atmosphere, upscale Mexican cuisine, reasonable prices.

Rodeo, Eschersheimer Landstr. 158. Tel.: 554733. A Mexican restaurant popular with Americans. Garden in the summer, Mexican beers. Reasonable.

Sänger's Restaurant, Kaiser-Friedrich-Promenade 85, Bad Homburg. Tel.: (06172) 24425. Fax: (06172) 44284. If you are seeking a break from the urban environment, Klaus Sänger's highly rated restaurant in the Taunus Hills outside Frankfurt is worth an excursion, with an original, eclectic menu including fixed price "surprise" menus of five or seven courses.

Calling Around

Country code: 49. City code: 69.
• Ambulance: 490001.
• Dentist: 6607271.
• Doctor: 19292.
• Fire, first aid: 112.
• Police: 110.
• Airport: 6901 (6:30 A.M.-10:30 P.M.).
• Airline schedules: 690-30511.
• Airport Conference Center: 69070500.
• Exhibitions/Messe-gelände: 75750.
• Taxis: 250001.
• Tourist office, Bahnhof: 212-38849.
• Trains: 19419.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NTC Publishing) by Alan Tiller and Roger Beardwood.

Top-Flight Business Facilities From ITT Sheraton

THE SHERATON FRANKFURT, like the other five ITT Sheraton airport hotels in Europe, is a participant in the new ITT Sheraton Airport Hotels Program, a package of services that has been carefully thought out to soothe away the stress, fatigue and jet lag often experienced by international travelers.

The program includes many innovative ideas. The Day Break Service allows guests who are between flights to take a room for a stay of a few hours. The Transit Survival Kit provides them with a toothbrush, T-shirt, face cream, razor, deodorant, mouthwash, slippers, comb and brush, and other useful items.

For those who like to look their best while traveling light, the laundry service is a godsend. Same Day Service returns your garment freshly cleaned and pressed by the evening. Express Service within four hours, and Overnight Express

Service gets last night's outfit back to you early the next morning for a fresh start.

Weary jetsetters will especially appreciate the program's Body Clock Cuisine, a menu of 14 delicious anti-jet lag dishes designed by ITT Sheraton executive chefs and a leading nutritionist to help travelers adjust to new time zones and fight fatigue.

Considered one of Europe's best airport hotels, the Sheraton Frankfurt Hotel is also renowned for its exceptional service and attention to the details that count for the business traveler.

Located in the Rhein-Main International Airport, one of Europe's busiest transport hubs, the hotel can be reached from the airport arrivals section via a covered walkway, sparing business travelers from even having to step outside. Transport to the city center — only 12 minutes away — couldn't be

more convenient as the subway entrance is located just under the hotel.

The Sheraton Frankfurt, with 1,050 rooms and suites, has a formidable array of services for business travelers. Its Congress Center can accommodate 1,200 people, and the foyer is available for exhibitions. Thirty additional conference rooms can handle between five and 500 participants. The hotel's communications facilities are top-flight.

And who would expect to find in an airport hotel a gourmet restaurant whose quality is so high that it has won numerous awards. The elegant Papillon restaurant is presided over by Klaus Böhrer, whose specialties include tempting dishes like baramundi fish with saffron sauce and lemon risotto, and beech-smoked pigeon breast with lentil ravioli.

The Sheraton Frankfurt is a veritable city in itself. In addition to the Papillon,

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there are several other restaurants and bars serving food and drink to suit every taste.

The hotel also has an indoor swimming pool, a fitness center, solarium, sauna, steam bath, 24-hour room service, shops, a hairdressing sa-

lon, and laundry and valet service.

For location, service and innovative cuisine, Sheraton Airport Hotels work for you.

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Sheraton Airport Hotels' Day break Service

lets you dictate, fax, phone, uplink, photocopy and basically use your layovers more efficiently.

Anyone who's ever sat in an airport waiting for a flight knows that nothing is worse than sitting in an airport waiting for a flight. Which is exactly why ITT Sheraton now offers something called Day Break Service. It lets you reserve a Sheraton Hotel room for the day for only 50% of our nightly rate. So instead of sitting at the airport thinking of all the things you could be doing, you can actually do them. Whether it's eating, working in our 24-hour business centre, or simply catching up on some well-needed rest. And to make your business travelling easier, AT&T is available at ITT Sheraton hotels so you can keep in touch with your office wherever you are. You'll never waste another layover again. Unless, of course, you choose to. For more information or reservations, please call toll free: United Kingdom 0800 353535, Germany 0150-853535, France 090063535, Belgium 0800 13535 and Italy 1678-35035 or your travel professional.



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May 6, 1996

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world.

THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP

L.A. Coliseum Risk

A county supervisor wants an investigation of the construction of the new Los Angeles Memorial Coliseum press box, which some inspectors say is so seismically unsafe they would not sit beneath it.

Cracks in welds during construction of the massive press box raised doubts about the safety of the structure, which juts out over hundreds of seats.

"I wouldn't sit anywhere near that Coliseum press box. I know what's in it," said Cecil Farrar, an inspector on the project.

Construction of the press box marked the final phase of a renovation of the Coliseum, badly damaged by the 1994 earthquake. (AP)

Fans Fight on Final Day

Soccer Fights between rival fans and between fans and police marred a tense final day to the English league season, raising fears of violence during the European championships in June.

Fourteen fans were arrested at Ipswich, where a 0-0 tie meant that visiting Millwall was relegated from division one and the home team missed the playoffs for promotion. There were 29 arrests in Newcastle's town center after the city's club failed to win the Premier League. There were five arrests outside the stadium of Manchester United, which edged Newcastle for the title, even though United was playing away. There were arrests at Coventry where 600 fans fought on the field after the home team escaped relegation, tying 0-0 with Leeds. On Saturday, police dispersed rioting fans at a division two clash between Yorkshire rivals Hull, which was relegated, and Bradford, which made the playoffs. (Reuters)

• Jorge Salcedo, a second-half substitute, set up a goal for Eduardo Hurtado, then scored himself Sunday as the Los Angeles Galaxy beat D.C. United, 3-1, before a Rose Bowl crowd of 20,471. The Galaxy (4-0) remained the only undefeated team in Major League Soccer. (AP)

Wildcat Turning Pro

BASKETBALL Antoine Walker, a sophomore forward with the national champion University of Kentucky, said he will enter the NBA draft.

Brooks Wins Texas Battle

GOLF Mark Brooks beat a fellow Texan and Houston native, Jeff Maggert, Sunday at the Houston Open by sinking a 30-foot birdie putt on the first playoff hole to win the \$1.5 million tournament. (Reuters)



Mark Brooks blasting out of a trap in final round in Houston.



Michael Jordan, a one-man show, defending against Knicks' Hubert Davis.

Jordan Healthy, Knicks Are Not Other Bulls' Starters Take Night Off as Star Hits 44

By Mike Wise
New York Times Service

It took three long, anxious days of therapy, ice packs and heat treatment to enable Michael Jordan to play with a lower-back strain in Game 1 of the Eastern Conference semifinals Sunday at the United Center.

It took three short, spectacular minutes for Jordan to pronounce himself perfectly fine and to show the Knicks that they were not.

Detonating for 44 points on 17-of-35 shooting and converting two crucial baskets in the final minutes, Jordan led Chicago to a 91-84 victory over New York as the Bulls took a 1-0 lead in the four-of-seven-game series. The rest of Chicago's starters combined for 26 points on 10-of-35 shooting.

Derek Harper, looking as strong and poised as he has all season, rolled in a 20-foot jump shot from the right wing with 5 minutes 15 seconds left to cut the margin to 81-80. But he received little help in the backcourt and from his teammates as the Knicks faded down the stretch.

John Starks, who had averaged 19.7 points against Cleveland in the first round, went into an offensive funk of huge proportion. He was zero for nine from the field and zero for four from beyond the three-point arc. An air ball from the farthest spot on the right baseline with the Knicks trailing by 85-82 with less than four minutes remaining encapsulated his day.

Patrick Ewing finished with 21 points, on nine-of-23 shooting, and 16 rebounds, but he again failed his team from the free-throw line in the clutch. With 2:15 left and New York within four at 88-84, Ewing missed two free throws badly. He had missed 6 of 8 against Cleveland on Wednesday in the final four minutes, including his last five.

With 1:52 left, Jordan hit a difficult turnaround jump shot in the lane over Harper to nullify any chances of a Knicks' comeback, pushing Chicago ahead by 90-84.

The Knicks tied the score several times in the second half but never took the lead.

Harper finished with 19 points on eight-of-17 shooting and five assists. Charles Oakley added 14 points and 13 rebounds. Scottie Pippen was the only other Bull in double figures with 11 points.

The Knicks made only one of eight shots to open the fourth quarter. Ewing missed three straight — and hurt their chances considerably.

Any concern about Jordan's lower-back strain, which allowed him to practice only once with the team, was erased in the opening minutes. He connected on his first two shots and scored over every Knicks on the floor in the first half, accruing 25 points on 10-of-18 shooting.

When Jordan did miss it was often with a determined Harper in his face. That matchup involved unkind words, impossible shots and a double technical foul midway through the second quarter, with both players jawing at each other.

In first-round games, the Associated Press reports:

Jazz 102, Trailblazers 84 A revitalized Karl Malone and a stifling Utah defense snuffed out Portland's postseason. Malone scored 25 points and Utah's defense held Portland to an NBA record-low point total that gave the Jazz a 3-2 victory in the best-of-five first-round series.

Utah will meet San Antonio in the second round, starting Tuesday. Malone — held to just 4-of-16 shooting in a 98-90 Game 4 loss Wednesday at Portland — connected on 11-of-21 Sunday. He also had 10 rebounds, a steal and a blocked shot.

John Stockton — held to 11 points the last time out — finished with 21 points and 11 assists. He credited the victory to desire.

Rod Strickland and Arvidas Sabonis struggled for Portland. Strickland was

just five-of-16 for 10 points and Sabonis was six-of-16 for 14. As a team, the Blazers shot 33 percent.

Utah also outbounded Portland for the first time in the series, 54-33. "I thought we were ready to play," Portland's coach, P.J. Carlesimo, lamented. "But the Jazz were that good, and we were that bad."

"No one went out there to play badly," said Cliff Robinson, who finished with 13 points Sunday. But "we knew midway through the fourth quarter we weren't going to make a 30-0 run to come back."

The Blazers never made a run, period. Instead, Portland's 64 points broke the playoff record-low of 68 set by the New York Knicks on May 15, 1994, at Indiana.

The Blazers trailed 18-12 after one quarter, 46-24 at halftime — also a record, breaking the previous low of 28 points set by the Los Angeles Lakers at Milwaukee April 7, 1974.

In a game reported in some editions Monday:

Hawks 89, Pacers 87 Reggie Miller returned Sunday, and everything went right for the Indiana Pacers — until the final shot.

Miller, sidelined since April 13 with a fractured eye socket, made a surprising comeback Sunday and had another spectacular fourth quarter. But he missed the game-winning shot at the final buzzer and Atlanta hung on to win the best-of-five series, 3-2, and advanced to play Orlando in the second round.

Miller scored 16 of his 29 points in the fourth quarter, including Indiana's last eight. He got the ball in the final seconds but was double-teamed by Mookie Blaylock and Matt Bullard. Miller managed to shoot an off-balance 3-pointer, but it glanced off the side of the rim as time expired.

That gave the victory to Atlanta, which had lost to the Pacers in the playoffs the past two years. It may have been Miller's final game with the Pacers. He becomes an unrestricted free agent this summer.

Pitchers Have Their Day at Last in AL

The Associated Press

For at least one day, pitchers ruled for the most part in the American League. Dennis Martinez and the Cleveland Indians shut out Ken Griffey and the Seattle Mariners, 2-0. Kevin Gross and the Texas Rangers completed a three-day span in which they held Cecil Field-

forced to start when Mark Langston hurt his knee in pregame warmups, pitched California to its sixth straight victory.

In National League games:

Padres 12, Giants 6 Eric Davis slammed San Francisco twice in two days. After hitting a grand slam in Cincinnati's 9-7 victory on Saturday, Davis did it again Sunday night. He became the 18th major leaguer to hit slams in consecutive games in leading the Reds to victory over the Giants. Davis' slam was the seventh of his career.

Rockies 5, Marlins 4 Dante Bichette singled home the winning run with one out in the ninth as host Colorado won its fourth straight.

Padres 10, Cardinals 4 Wally Joyner hit a two-run homer that helped chase Alan Benes after two innings as host San Diego avoided what would have been its first three-game losing streak this season. Jody Reed had three of San Diego's 15 hits.

In games reported in some editions Monday:

Marlins 11, Red Sox 4 The Toronto Blue Jays scored 10 unearned runs off Tim Wakefield and ended Boston's season-best four-game winning streak.

Joe Carter's two-run homer, his 10th of the season and third in the three-game series, capped the fourth inning in which all eight Toronto runs were unearned.

Brewers 13, Orioles 1 Ben McDonald

pitched six strong innings against his former team, and Greg Vaughn had a homer and four RBIs as Milwaukee ended a five-game losing streak by beating Baltimore.

Royals 2, Athletics 0 Chris Haney, winless for almost a year, pitched a three-hitter for his first shutout in three seasons, leading Kansas City over Oakland. Haney (1-4), who had lost seven consecutive decisions since last June 13, struck out seven and walked none.

Yankees 7, White Sox 1 Wade Boggs went three-for-four with a home run and Andy Pettitte bounced back from two ineffective starts to win his fifth game as New York defeated Chicago. Boggs hit his first home run of the season in the fourth inning.

Pirates 3, Tigers 2 Detroit's troubles continued as Kevin Elster's two-run homer helped Texas to a victory. Kevin Gross followed back-to-back one-hitters by Ken Hill and Roger Pavlik by stopping Detroit on five hits in seven innings. Eddie Williams homered for the Tigers.

Pirates 4, Dodgers 2 Charlie Hayes made up for a two-run error by driving home the go-ahead run in the seventh inning, giving Pittsburgh victory over Los Angeles.

Brewers 11, Phillies 6 David Justice homered twice and drove in four runs, and John Smoltz won his sixth straight



Padres' Rickey Henderson beating the tag of St. Louis' catcher, Pat Borders.

decision as Atlanta beat Philadelphia. Fred McGriff went four-for-four with a home run and a triple, and Ryan Klesko hit his 12th homer for the Braves.

Kings 6, Astros 0 Henry Rodriguez homered for the second straight day and drove in another run with a double as

Montreal took advantage of three errors to beat Houston.

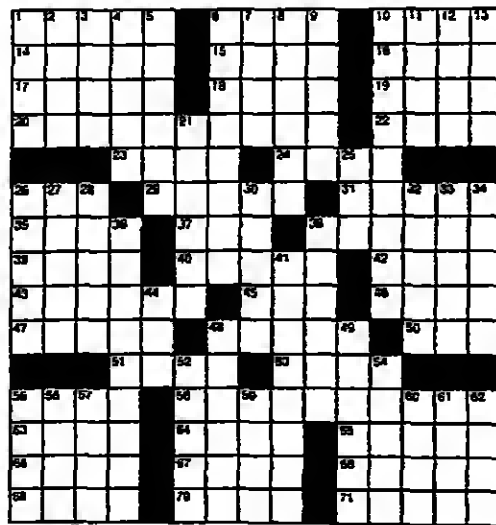
Cubs 5, Mets 4 For the second time in three days, Sammy Sosa hit a game-winning home run in the bottom of the ninth inning, lifting Chicago over visiting New York.

CROSSWORD

- ACROSS**
- Roosting rods
 - Sunscreen ingredient
 - Hacks around the city
 - Dame
 - Hot spot
 - Brigham Young's destination
 - Barbarian of pulp fiction
 - Mormons, e.g.
 - Makes yawn
 - Elementary piano tune
 - Book before Nehemiah
 - Spanish artist
 - Ogle
 - Boy king
 - Rationalistic believer
 - Antiquated
 - Having zero rainfall
 - One of Frank's exes
 - More ideal?
 - Southern France
 - L.B.J., for one
 - Volunteer State Abbr.
 - Fine as can be
 - Unwoven
 - As
 - Tree-lined walk
 - Have fun with
 - Master for a judge
 - Lab weight
 - Course for an M.O.-to-be
 - Couch potato's place
 - Not be frank
 - Oral, maybe
 - Tommye of 60's-70's baseball
 - Singer Chris
 - "Sonambary" star, 1993
 - Collar straightener
 - Inamorate of Valentino
 - Billfold stuffers
 - Robin's home
 - Fuels (up)

DOWN

- 60's Black Power grp.
- Pat of Piglet
- Give thought
- Pittalis
- Had a feeling
- 100% sure
- Opposite of serene
- Canterbury dignitary
- Impatient
- Math extractions
- Full, as an index
- Attorney General under Bush
- Mrs.'s home
- Versailles document
- Amulance rider, briefly
- St. Peter's neighbor
- Milton's "Regent of the Sun"
- Kind of wave
- Early Brit
- Use a harpoon
- Subsequently
- Perishing's men
- Chuck-a-luck and craps
- Fueled
- Nazi dog
- That girl
- Refugee
- Slightly off course
- With all one's might
- "Bobby Shaftoe's gone
- Have the nerve
- Flower of 16 Across
- The yoke's on them
- What's for dinner?
- Modernists
- Destitution
- Have the nerve
- Rossignol gear



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Solution to Puzzle of May 6

HOES AMOS PEG
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WALL STREET EMMY
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LOST SHURE
BONY BRAT
CANARY SLIGHTED
ALONE GOAL CHAR
TASK PRONE LUTE
EMIT REND TILES
SOURCERER COIFFERS
LOST SHURE
NUCLEUS APPO PAM
ACRE DINARSORE
BLUR ERNIE ELLA
SLAX SAIND MOTOIT

Aborigine Sprinter Brings 2 Flags to Atlanta

Cathy Freeman, One of Australia's Leading Medal Hopes, Carries a Message

By Christopher Clarey
New York Times Service

MELBOURNE — When British colonists landed on this continent in 1788, the first words they reportedly heard spoken by the Aborigines were "Wanna, wanna," which meant "Go away."

The Europeans did not go away. To the Aborigines' detriment, they conquered, settled and became Australians, which helps explain why more than two centuries later, a young athlete named Cathy Freeman has become not just a star on the track but a role model and symbol off it.

Freeman, one of Australia's best hopes for an Olympic medal this summer, has been a public figure here since 1990, when at 16 and with only one year of serious training behind her she helped her nation win a gold medal in the women's 4x100-meter relay at the Commonwealth Games.

She was the first female Aboriginal to succeed at that level of athletics and the first to gain international success since Evonne Cawley in tennis in the 1970s.

"If Americans are looking for a parallel, I guess our situation would be similar to the Indians," she explained. Like American Indians, Aborigines were forced or negotiated off prime land. Like American Indians, they flourished, suffering from disease, depression, alcoholism and intense discrimination that lasted well into this century. Aborigines were only granted full citizenship and the right to vote in the 1960s.

"Compared to minority groups in other countries, we haven't progressed far, and this was our home first," said Free-

man, who was born in Mackay on the Queensland coast. "I mean, people now are still finding their families because they were taken away from each other. That's how far behind we are."

Googong didn't make much of her Aboriginal roots until after her career ended. But Freeman has long spoken openly about race. In 1994, after winning the 400 meters at the Commonwealth Games in Canada, she took her victory lap with two flags draped over her.

One was the Australian with its Union Jack in the upper left corner. The other was the Aboriginal flag with its earth tones: black, red and yellow.

Some commentators quickly compared it to the black power salute on the medal stand at the 1968 Olympics by the U.S. sprinters Tommie Smith and John Carlos, but Freeman says her gesture was not a protest, only an affirmation.

"I just wanted to show people that I am proud of who I am and where I come from," she said. "That, as an indigenous individual, there is no reason you can't be like everyone else and go out and achieve goals and dreams. I don't want to be a politician or anything like that. Kids are what's most important to me, and when they see someone who is strong and proud of who they are, hopefully it helps them get out the door and say, 'I'm going for that. I want to do that, be a doctor or lawyer or sprinter or whatever.' There aren't enough people who think like that in Aboriginal communities."

Her gesture was quickly politicized. Arthur Tunstall, the Australian chief of mission at the Games, said it was inappropriate for Freeman to carry a flag other than the Australian one. Several

Australian legislators were critical, and a national debate was on, a debate ultimately won handsily by Freeman's supporters, who included Paul Keating, Australia's prime minister at the time.

One newspaper poll found that 73 percent of Australians approved and only 13 percent strongly disapproved. Another poll of schoolchildren last year found that she was the most popular female athlete in the country. That is not simply because she is an Aborigine in a society newly sympathetic to the Aboriginal condition.

It is because she is fast, enthusiastic and — important in plain-speaking Australia — not too full of herself. She is also quotable and media savvy, perhaps because her boyfriend and manager, Nick Bideau, covers track and field for the Melbourne newspaper, The Herald Sun.

"That gets a little bit awkward sometimes," she said. "A lot of athletes get a bit funny, and people think, 'She gets in the papers because of Nick' and so on." In truth, Freeman's popularity has long outstripped her athletic accomplishments. The Commonwealth Games are, after all, hardly the Olympics. Though she has been ranked second in the world behind Marie-José Pérec in the 400 meters, she finished only fourth in the 1995 world championships. But at 23, her peak should be ahead of her, and in February she finally broke the 50-second barrier, running 49.85 in Melbourne.

On the mirror in her bedroom in Melbourne, she has put a note that reads "48.60 ATLANTA." It is the time she thinks she will need to take the gold.

If Freeman meets that target, she has no difficulty imagining how she will celebrate: "I will carry both flags."

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SPORTS

Hockey's Toughest Job?
Just Ask Mark MessierBy Dave Anderson
New York Times Service

PITTSBURGH — On the Ranger bench, Colin Campbell would lean toward Mark Messier and say, "Can you still go?" And when the Rangers captain nodded, the coach would say, "Then go again."

Go out there to do what is arguably the toughest job in hockey. Go onto the Civic Arena ice and skate against Mario Lemieux, the inspiration for a little home-made sign, thin black lettering on gray cardboard, that two youngsters were holding halfway up the seats at mid-ice.

"Jordan Can't Do This," it read. "66 Is the Best."

Michael Jordan was in Chicago, up there at altitude against the Knicks, but whatever his Ainess does in speakers, Lemieux does on skates. He is hockey's best player, but Messier had the big goal and a timely assist while limiting Lemieux to one goal Sunday in the Rangers' 6-3 victory that evened their Eastern Conference semifinal at 1-1 in the Stanley Cup playoffs.

If the Rangers are to survive the four-of-seven-game series that resumes Tuesday in New York City's Madison Square Garden, they must continue to control Lemieux and the Penguins' other sniper, Jaromir Jagr.

"You just try to keep yourself between Mario and your net," Messier was saying. "He's so good, he skates so

well, if you're more than two feet away from him, you're too far. Just keep yourself between him and your net, and depend on your support."

While Messier coped with Lemieux, the Rangers' 20-year-old rookie center, Niklas Sundstrom, was primarily responsible for staying with Jagr, the dazzling right wing with 62 regular-season goals who scored twice Friday night when the Penguins won the opener.

"You have to look after Jagr and Lemieux," Sundstrom said. "Be in their face. Work hard."

Jagr's third-period goal narrowed the Rangers' lead to 5-3 before Jarri Kurri's empty-net goal in the final minute, but Jagr wing had five shots plus two that barely missed the net. Except for his goal, Lemieux had only one shot as the 36-year-old Messier dogged him.

"Mess has a big oxygen tank on his back," Pat Verbeek said. "When it's crunch time, he really comes through."

And when Messier was asked if he was tired, he smiled and said, "You're not tired when you win."

In his second career in basketball, Jordan has been with the Bulls for more than a year after an interlude in minor league baseball, Lemieux is again dominating hockey after missing a full season while recovering from Hodgkin's disease and spinal surgery.

Jordan has always been basically healthy. Lemieux

needed long hours of radiation treatments and physical therapy. He doesn't like to talk about it, but his peers are awed.

In a game geared to bursts of energy, Lemieux seems to glide effortlessly, gracefully, patiently, almost in slow motion. Despite resting for 12 of the regular season's 82 games, the 30-year-old center led the National Hockey League in scoring for the fifth time with 161 points, including a league-leading 69 goals.

His genius is not merely in his skating or his shot or his size, a rangy 6-foot-4 inches (1.93 meters) and 220 pounds (100 kilograms) that seems to lengthen his reach with his stick to halfway across the rink. His genius is also how he "sees the ice," as hockey people say. How he sees what other players never seem to see.

In the downtown area, four Pittsburgh sports symbols look down from high on the side of a building in black and gold. Roberto Clemente's profile is there under a Pirates cap. Mean Joe Greene peers out from his Steelers helmet. Bill Mazeroski, his arms flying in his Pirates uniform, is whooping around the bases on his home run that won the 1960 World Series.

Above those three, Mario Lemieux is skating in his Penguins uniform. But Sunday it was as if Messier were up there on the wall, skating with him. No more than two feet away.



The Rangers' Mark Messier, right, trying to shoot past Penguins' goalie, Ken Wregget.

Detroit's Yzerman Is on a Playoff Roll

The Associated Press

With all the talent around him, Steve Yzerman no longer feels pressed to bring the Stanley Cup to Detroit by himself. Maybe that's why he's playing the best hockey of his career and the Red Wings are holding a 2-0 lead in their playoff series with St. Louis.

On Sunday, Yzerman set a club record with five points as the Red Wings beat the Blues 8-3 in a game they dominated from start to finish.

His effort — two goals and three assists — was magnified by the fact the Red Wings didn't feel they played well in Game 1, escaping with a 3-2 victory.

Jon Casey gave St. Louis a heroic effort,

subbing for Grant Fuhr in goal in the first round against Toronto. But he was simply over-matched by Detroit in Game 2 of this series. Casey, forced into action for the postseason because of Fuhr's reconstructive knee surgery, spent most of the season at Peoria of the International Hockey League.

A Tough Night in Denver

The Chicago Blackhawks' defenseman Enrico Ciccone reportedly hit an off-duty police officer in the face after leaving a playoff game with the Colorado Avalanche. The Associated Press reported. He apologized and avoided arrest, a police spokesman said.

Reds' Owner Steps
Into Trouble Again

The Associated Press

BRISTOL, Connecticut — Three years after she was suspended for racial and ethnic slurs, Marge Schott once again is praising the start of Adolf Hitler's term as German chancellor.

"Everything you read, when he came in he was good," the Cincinnati Reds' owner said in an interview aired Sunday night by ESPN. "They built tremendous highways and got all the factories going. He went out, he went berserk. I think his own generals tried to kill him, didn't they?"

"Everybody knows he was good at the beginning, but he just went too far." The interview by Sal Paolantonio was taped Friday in Schott's office in Cincinnati.

"He asked me some questions during the interview that I really didn't care for," Schott said when reached at her home Sunday night by The Associated Press.

Schott said the subject of Hitler came up because "he asked about the swastika in the house." In November 1992, Schott admitted keeping a swastika armband at home that she said had been given to her.

On Feb. 2, 1993, baseball's executive council suspended Schott for one year and fined her \$25,000 for bringing "disrepute and embarrassment" to baseball with her repeated use of racial and ethnic slurs. "There's just no appropriate comment," the acting commissioner, Bud Selig, said Sunday night.

TV Spies on Irvin's 'Drug Buys'

The Associated Press

DALLAS — Michael Irvin, the Dallas Cowboys star under felony indictment, bought cocaine before and after the charges stemming from a motel raid in Irving, Texas, where drugs were seized, according to a broadcast report, using film taken secretly by Irvin's "security adviser."

A Fort Worth TV station, KXAS, reported Sunday that Irvin paid \$100 for drugs two days before his April 1 indictment in connection with a seizure of cocaine and marijuana at the motel in Irving.

Another drug purchase two weeks later was also detailed in the report, accompanied by a videotape shot from a camera clandestinely placed in the back seat of a vehicle in which Irvin was riding.

The attorney representing Irvin denied the allegations. A prosecutor said Sunday that his office may subpoena videotapes from the station.

Identified only as "Dennis," Irvin's self-described security adviser and friend drove Irvin to an Irving apartment complex where he bought what the associate said was about a half-ounce of cocaine from a woman.

"She's got much coke," Irvin said after showing the associate a bag that "Dennis" said contained cocaine.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

W L Pct GB

New York 17 11 .607 0

Boston 16 14 .529 2

Detroit 14 16 .467 4

Tampa Bay 10 22 .313 8

Central Division

W L Pct GB

Cleveland 20 9 .690 0

Minnesota 14 15 .483 6

Chicago 12 16 .431 7

St. Louis 10 22 .313 8

West Division

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Seattle 28 11 .714 0

San Diego 25 14 .645 3

Los Angeles 22 17 .562 6

Oakland 19 20 .488 9

National League

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ART BUCHWALD

Golfing and Bidding

WASHINGTON—Of all the items up for sale at the Jackie Kennedy Onassis auction, the one that impressed me the most was Lot 755: a set of golf clubs in a red-and-black bag with the initials "JFK" monogrammed on the outside. The item sold for \$772,500, and the buyer was Arnold Schwarzenegger, an avid restaurant owner.

Since I don't play golf I couldn't tell if Arnold got a bargain or not. So I called around to friends who are crazy about the sport.

The first person I called was David Wolper, a leading film producer. David didn't think that \$772,500 was too much for a set of golf clubs. "For his money Arnold got the clubs, the bag and at least a dozen 1954 golf balls. If you tried to purchase that in Kmart they would charge you double."

"Why didn't you buy them?" I asked him. "It was just bad luck. At the time they were being auctioned I was out playing golf."

I called George Stevens, a top amateur player on the circuit, who turned down an opportunity to become the U.S. ambassador to the Court of St. James's because he heard that British golfers did not replace their divots.

George said, "I would have bought them myself, but Arnold is a good friend of mine and I would do anything to save his game."

My next call was to Jack Valenti, who has devoted his life to golf, even if it has cost

him many friendships and goodwill in Hollywood. Jack said, "Only someone who has shot a 98 can appreciate a person paying \$772,500 to improve his swing. People just don't understand the importance of equipment in golf. There were two sets of golf clubs for sale. The other one went for \$350,000. I don't believe that any self-respecting golfer would play with the \$350,000 set. As a matter of fact, with the cheaper clubs they wouldn't even let him on the course at Burning Tree."

Dean Smith, a money manager, was upset. "Arnold knew all along that I wanted those clubs, and he heard that I was willing to bid up to \$690,000 for them. That's why he went to \$772,500. I'm waiting for Ivana Trump's garage sale, and when she offers to sell Donald Trump's putter, Arnold is going to be in serious trouble."

Sheldon Hackney was the only one who thought that Arnold had paid too much. "Personally, I have never paid more than \$500,000 for a set of clubs, and if you keep your eye on the ball you can save \$222,000."

Except for Hackney, everyone I talked to envied Schwarzenegger and maintained that he had done the right thing. Don Brown, a real estate executive, said, "It's good for golf. The more money you pay for equipment, the more cachet the game acquires. At our house we had a 'Gift of the Magi' situation. My wife wanted to sell our BMW to purchase the JFK clubs for me, and I wanted to sell my humidor to buy her Jackie's simulated pearl necklace."

For Maya Plisetskaya at 70, the Dance Goes On

By Alan Riding
New York Times Service

MUNICH — Walking with the spring of a young woman, her dark hair pulled back in a bun as if to highlight her bright green eyes and ready smile, Maya Plisetskaya was carrying a little red canvas bag with everything she needed — a tape recorder, black tights and ballet shoes — for her daily workout at the Bavarian State Ballet School here in her adopted home city.

For her fans, Plisetskaya has long been enshrined as one of this century's greatest ballerinas. For the petite and famously combative Russian star, though, what really counts is that at age 70 she is still dancing.

And when she is not on the road, she spends 45 minutes in the morning exercising and rehearsing alongside dancers young enough to be her grandchildren.

Resting on the laurels of her extraordinary career with the Bolshoi Ballet is clearly not on her agenda. Indeed, as she recounted at a sidewalk café here, she has been in great demand since she turned 70 in November.

Last month, she performed in Brazil and Uruguay. Later this month, she will dance in Madrid. This week, she returns to New York for the 10th time since she first performed there in 1959, for the Maya Plisetskaya Gala at City Center on Friday, Saturday and Sunday.

"I am very happy but a little bit afraid," she said in Russian through an interpreter, aware that some members of the audience are bound to compare what she can do with what she could do. She the switched back into English, as she frequently would to underline a point. "Today, dance, music, acting," she said. "Not athletic. For that, a different ballerina."

Like many dancers, she has suffered injuries. Her right foot never fully recovered from being trod on by a partner in 1985.

"I can still leap," she said, waving her arms. "But after the ac-



Maya Plisetskaya, now living in Munich: "If I have no more interest in dancing, I will stop."

cident I am afraid." Today she clearly feels safer with "Isadora" and "The Dying Swan," which emphasize poetry over strength. As recently as November, Maurice Bejart created a new 35-minute ballet for her: "Kurozuka," set to traditional Japanese music, which she has performed in Paris, Moscow and St. Petersburg with Patrick Dupond of the Paris Opéra Ballet.

Many people remember Plisetskaya in her prime. In 1988, Anna Kisselgoff, writing in the New York Times, spoke of her "power and passion" on the stage. "On a personal note," she wrote, "I might say that no ballerina has thrilled (the word is used advisedly) me as much as Maya Plisetskaya." Kisselgoff wrote, "There are others one might prefer for reasons of purity and style. But no female dancer made classical dancing as exciting as Ms. Plisetskaya, and this was not, as has been wrongly charged, because she threw form and discipline to the wind."

What remains beyond doubt is that Plisetskaya's heart will always be in dancing. "People always ask me, how much longer will I dance," she said. "I dance because of art and not money, because the interest is the most important thing. Some artists say they dance for themselves, but I always do it for the public. I still feel the magic. I

am not bored. If I have no more interest in dancing, I will stop."

Her interest in dancing goes beyond her own work. In 1994, she presided over the First International Maya Dance Competition to reward promising young people. The second competition is scheduled for December in St. Petersburg.

Having been restricted to classical ballet at the Bolshoi, she is also fascinated by modern dance, and she mentions the late Alvin Ailey and William Forsythe, director of the Frankfurt Ballet, as among her favorites.

"Of course I wish I had done modern dance," she said. "But the Bolshoi, for 100 years, it was always the same. I dreamed of something new, but it was my tragedy. I finally danced Bejart's 'Bolero,' but I was 50, almost 51. I did it for eight years. But I came to modern dance too late."

"Still," she continued, "I tried to do classical dances in my own modern way. I jumped like no one before me. The Bolshoi did not like it. They said I was like a circus performer, but I did it anyway."

Six years ago, she finally broke with the Bolshoi, tired of fighting with Yuri Grigorovich, who had been its ballet director since 1964. She fired a few final salvos at him in her 1994 autobiography, which has not been published in English. But even since he was replaced 14 months ago by Vladimir Vasiliev, she has not made peace with the company. She returned to the theater last November to dance on her 70th birthday, but the gala, attended by the late Moscow, was organized by Gedeonina Taranda, another Bolshoi "exile."

"I get no pension from the Bolshoi," she said with disgust. "Nothing. After almost 50 years. But I am not going to beg. I don't want to talk to them."

She is eager to talk about them, however. In her view, Vasiliev, once the Bolshoi's star male dancer, and the new ballet director, Vyacheslav Gortseyev, have failed to renovate the company.



Not bored, and still in demand: Maya Plisetskaya.

"The important thing is the repertoire, and there is still no new repertoire," she said.

Without her forceful personality, Plisetskaya may never have overcome the early turmoil of her life.

Her mother, a star of silent movies, encouraged her to dance as a child, but things went horribly wrong in 1938 when she was 12: her father, a bureaucrat, was arrested and executed and her mother was jailed and exiled from Moscow for three years.

Yet in 1943 she won a place at the Bolshoi. From then on, she was frequently at loggerheads with the theater's administrators and the So-

viet authorities. Being considered a troublemaker had its price. Even as a prima ballerina she was not allowed to travel to the West until 1959. When she was finally allowed out, it was only because her husband, the composer Rodion K. Shchedrin, stayed behind as a hostage.

In 1964, Plisetskaya joined 24 prominent figures in warning the new Soviet leader, Leonid I. Brezhnev, that "the people would never understand or accept" a return to Stalinism. Then, from the 1970s, Grigorovich, "the tyrant," as she would call him, became the target of her wrath.

Although she was unable to dislodge Grigorovich, she proved skilled at maneuvering within the power structure. Pyotr N. Demichev, minister of culture between 1974 and 1986, was among the allies who enabled her to create her own ballets.

In 1984, Moscow allowed Plisetskaya to accept a two-year contract as artistic director in charge of dance at the Rome Opera. Then, in 1988, still formally attached to the Bolshoi, she became director of classical ballet at Spain's National Dance Company in Madrid, a post she held for just over two years.

Finally, in the early 1990s, she followed her husband to Munich, where he became a member of the Bavarian Music Academy.

Of late, she has visited Russia only once a year, but she watches events there with trepidation. "I am very afraid of communism again," she said, referring to the election next month. "I want Yeltsin to win because communism is the most terrible thing."

Will she ever return to live in Russia? "We are happy here," she said. "I like Germany. I am free to travel now."

A middle-aged couple interrupted to ask for her autograph.

"Russian tourists," she said with a smile. "They can say they met Maya Plisetskaya. She seemed pleased to think that Russia still missed her."

POSTCARD

New York Taxi Cabs Try a Little Tenderness

By Garry Pierre-Pierre
New York Times Service

NEW YORK — "Madam (sir), there are any particular route you would like today?"

"Please let me take your bags, sir (madam)."

"I'm sorry you don't understand. I will try to speak more clearly."

Do not be startled if you hear something like this the next time you step into a yellow taxi. The Taxi and Limousine Commission of New York City has added these and 47 other handy sentences to the cabdriver's repertoire, hoping they will replace chestnuts like "huh?" and "What's it to you?"

The 50 courteous sample sentences are being worked into the curriculum at training classes for new taxi drivers. As

part of the intensified campaign to polish cabby behavior, a video simulating driver-passenger conflicts is being created to teach ways to defuse potentially explosive situations.

Commission officials are also holding meetings with large-fleet owners to discuss the problem, and the Police Department, which has taken over the commission's enforcement unit, in December began conducting undercover operations to ticket recalcitrant cabdrivers who decline fares.

But rudeness has been the most difficult problem to combat, officials said. "The No. 1 priority is to make sure that a driver behind the wheel can communicate with the passengers," said Christopher R. Lynn, chairman of the Taxi and Limousine Commission, which for the last six months has been

distributing taxi report cards at cabstands and other public places for customers to assess their ride. "The cabdriver is often the first and last New Yorker that a tourist meets. I think it will be a boost to our image and tourism."

The courtesies, including "Thank you for hailing me, sir (madam)" and "I'd be happy to take you to Brooklyn," are out so popular with cabdrivers.

"If I was overly polite to a passenger, he would think he was dealing with a psychotic," said Michael Higgins, a taxi driver and the publisher of the Taxi Talk newspaper. "People just want to get to their destination alive. If they can have those two things, that's fine. As far as killing them with kindness, it's probably some people trying to justify their City Hall job."

WEATHER

Europe			
Country	Today	Tomorrow	Forecast
Algeria	16/21	14/21	17/22
Andorra	14/21	14/21	17/22
Austria	14/21	14/21	17/22
Belgium	14/21	14/21	17/22
Bulgaria	14/21	14/21	17/22
Croatia	14/21	14/21	17/22
Czech Rep.	14/21	14/21	17/22
Denmark	14/21	14/21	17/22
France	14/21	14/21	17/22
Germany	14/21	14/21	17/22
Greece	14/21	14/21	17/22
Hungary	14/21	14/21	17/22
Ireland	14/21	14/21	17/22
Italy	14/21	14/21	17/22
Japan	14/21	14/21	17/22
Latvia	14/21	14/21	17/22
Lithuania	14/21	14/21	17/22
Malta	14/21	14/21	17/22
Netherlands	14/21	14/21	17/22
Norway	14/21	14/21	17/22
Poland	14/21	14/21	17/22
Portugal	14/21	14/21	17/22
Romania	14/21	14/21	17/22
Russia	14/21	14/21	17/22
Slovakia	14/21	14/21	17/22
Slovenia	14/21	14/21	17/22
Spain	14/21	14/21	17/22
Sweden	14/21	14/21	17/22
Switzerland	14/21	14/21	17/22
Turkey	14/21	14/21	17/22
Ukraine	14/21	14/21	17/22
United Kingdom	14/21	14/21	17/22
USA	14/21	14/21	17/22
Yugoslavia	14/21	14/21	17/22

ON a hot Sunday in July 1969, two 5-year-old brothers sat on their living room floor in New Jersey watching television and sharing the same dream to touch the stars. At the moment Neil Armstrong took a step on the dusty moon, Mark and Scott Kelly decided they were going to be astronauts. And now NASA has made it official. The 32-year-old identical twins, both fighter pilots at the Patuxent River Naval Air Station in southern Maryland, were the first twins — and first siblings — selected as astronauts in National Aeronautics and Space Administration history. "It's one of the ultimate things to do in aviation," said Lieutenant Mark Kelly, an instructor pilot for the navy's test pilot school. Scott Kelly, also a lieutenant, is a test pilot for the Strike Aircraft Test Squadron.

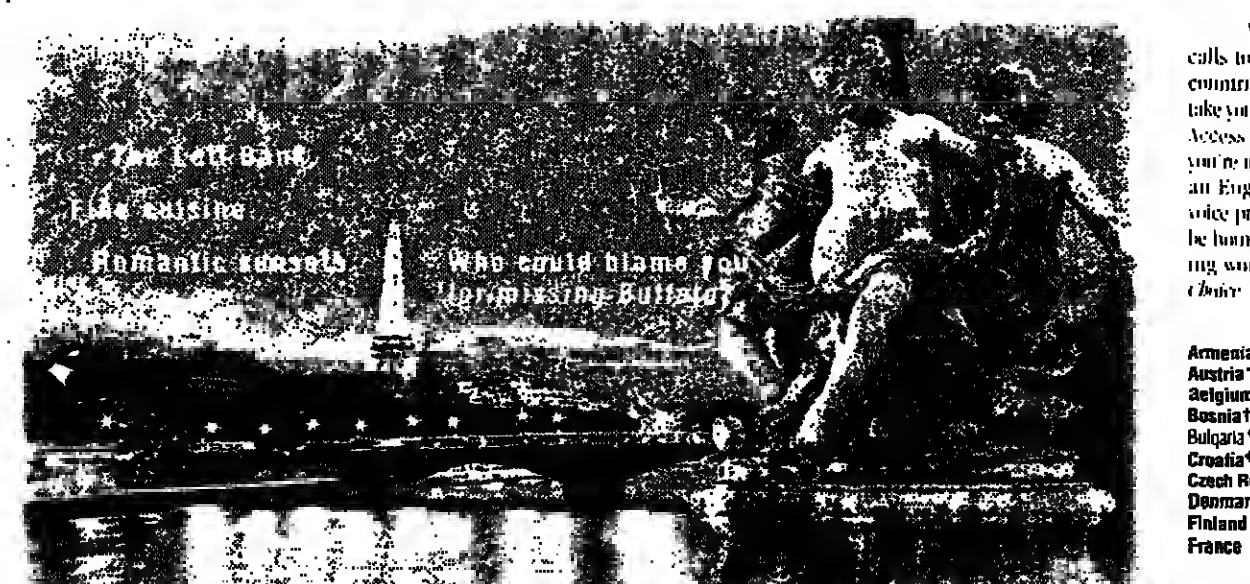


Ingmar Bergman has canceled out on taking his stage version of Molière's "The Misanthrope" to New York. The newspaper Express reported that Bergman had called the actors "miserable" but also accepted some of the blame for what he considers the show's low quality. Bergman's staging of the play at the Royal Dramatic Theater in Stockholm was praised by critics, but Bergman believes it has deteriorated since it opened last year, according to Express.

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Catherine Deneuve and Ingmar Bergman. "Mystery is an essential part of allure," Fiona Macpherson, the editor, said. "Unfortunately the Princess of Wales hasn't stayed aloof from the media and has rather lost that for the time being. She had it in the beginning, and I think she could regain it."

Despite fragile health, Ralph Edwards, the 82-year-old former host of the popular quiz show "Truth or Consequences," returned for the annual Fiesta celebration in Truth or Consequences, New Mexico, which he hasn't missed in 47 years. The celebration started after Edwards' quiz show issued a challenge in 1950 for some town to change its name to Truth or Consequences. Residents of what was then Hot Springs, New Mexico, 140 miles south of Albuquerque, voted overwhelmingly for the name change to put the town on the map. "In those days, nothing seemed impossible," Edwards said.



EUROPE		MIDDLE EAST		AFRICA	
Armenia	06-4111	Bahrain	800-001	Gabon	000-001
Austria	022-003-011	Cyprus	800-001	Gambia	00111
Belgium	02-800-100-10	Egypt (Cairo)	510-0200	Ghana	0191
Bosnia	00-800-0010	Israel	177-100-2727	Ivory Coast	00-111-11
Bulgaria	00-801 0010	Jordan	10 600 000	Kenya	080-10
Croatia	00-385-0111	Kuwait	800-288	Liberia	080-10
Czech Republic	00-42-000-101	Lebanon (Beirut)	426-801	Mali	002-11-011
Denmark	0061-0010	Oman	0800-011-77	Morocco	002-11-011
Finland	0800-100-10	Saudi Arabia	1-800-18	Niger	1100
France	19-0011	Syria	0-801	South Africa	0-800-99-0123
		U. Arab Emirates	800-121	Zambia	00-899
				Zimbabwe	110-899

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